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Statutory body under an Act of Parliament

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

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

## VISION STATEMENT

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

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

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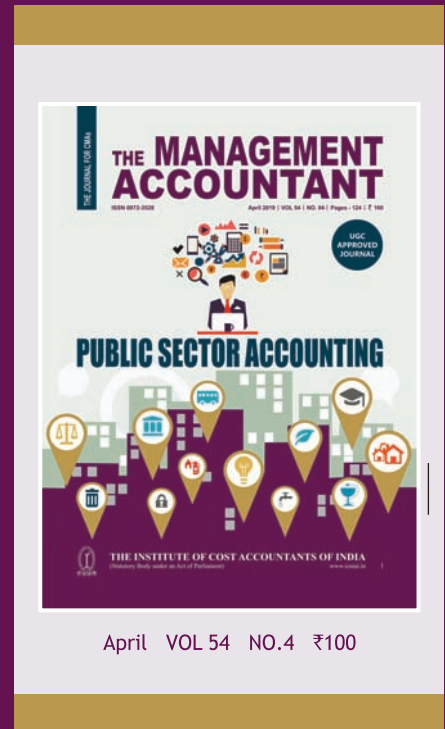
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# EDITORIAL

## Greetings!!!

The financial management of any organization must have a prudent financial system backed by sound and effective accounting procedures and internal controls. A well-designed and well managed accounting system helps to ensure proper control over funds. Accounting policies and procedures are designed to compile accounts fulfilling procedural requirements that govern financial control.

Public sector accounting is an accounting method applied to non-profit pursuing entities in the public sector including central and local governments and quasi-governmental special corporations. Public Sector Accounting aims to improve the quality of general purpose financial reporting by public sector entities leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability. The public sector accounting is an integrated accounting system connecting important aspects of financial accounting, management accounting and auditing techniques.

Accounting standards are authoritative standards for financial accounting and reporting developed through an organized standard-setting process and issued by a recognized standard-setting body. Accounting standards specify how transactions and other events are to be recognized, measured, presented and disclosed in a public sector entity's financial statements. The objective of such standards is to meet the needs of users of financial statements by providing the information needed for accountability and decision making. The International Public Sector Accounting Standards focus on the accounting, auditing and financial reporting needs of national, regional and local governments and address the need by issuing and promoting benchmark guidance. It also facilitates the exchange of information among accountants and other employees of different sectors.

Accounting reform is an expansion of accounting rules that goes beyond the realm of financial measures for both individual economic entities and national economies. Significant changes in public sector accounting and financial reporting systems around the world and their increasing convergence to an accrual basis for accounting over the last two decades have underlined the need for a review of existing Government accounting practices in India as well. By following accrual system of accounting, government would be better positioned to assess their financial performance and financial positions. Accrual system of accounting helps in estimating cost of services more appropriately which could form a crucial input for managerial decision making.

Public governance refers to the formal and informal

arrangements that determine how public decisions are made and how public actions are carried out from the perspective of maintaining a country's constitutional values while facing changing problems and environments. The principal elements of good governance refer to accountability, transparency, efficiency, effectiveness, responsiveness and rule of law.

Public governance paradigm announces that the public sector needs to strengthen its transparency, stimulate the participation of the citizens, reinforce its managerial capacity, orient and accompany contracts, encouraging the formation of public networks for public interest. Public accounting is as important as the accounting applied to organizations of the private sector. However, in the past, public accounting was limited to accounting of public organs and it set aside using its information and control in order to better conduct public negotiations. Public governance consists of the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

Good system of public governance results in more efficient and effective use of public finances for attaining policy objectives, while flawed governance opens up opportunities for errors, abuses and a waste of public monies. Accountability therefore is an essential component of public governance. Here the Cost and Management Accountants (CMAs) can act as a consultant, tax service professional in various organizations, record and analyze financial information of the organizations in which they are employed.

The developments and challenges faced by the public sector undertaking are well taken care by the government forming new laws and statutes. Public sector accounting is moving towards efficient accounting practices to meet the obligations of the stakeholders and to render services to the society.

This issue presents a good number of articles on the cover story theme 'Public Sector Accounting' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at [editor@icmai.in](mailto:editor@icmai.in). We thank all the contributors to this important issue and hope our readers enjoy the articles.







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# THE MANAGEMENT ACCOUNTANT

## -: PAPERS INVITED :-

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

Theme

**May 2019**

**Big Data Analytics in Accounting and Auditing**

Subtopics

- ◆ Big Data Analytics in Financial Reporting and Accounting
- ◆ Big Data in Business Analytics: Implications for the Audit Profession
- ◆ Big Data Analytics: Opportunity or Threat for the Accounting Profession
- ◆ Leveraging Big Data Analytics for Auditing: Towards a Taxonomy
- ◆ Big Data Analytics as KPIs (Key Performance Indicators) in Managerial Accounting
- ◆ Using Bots to Reduce Errors and Complete Time-consuming Accounting Tasks
- ◆ Current Practices of Data Analytics in Internal Audit and its Impact
- ◆ Data Analytic Competencies in the Accounting Curriculum from the Perspective of Academicians/Practitioners
- ◆ Role of CMAs in Data Analytics

Theme

**June 2019**

**Industry 4.0: Leveraging for Efficiency, Adaptability, Productivity**

Subtopics

- ◆ Industry 4.0: Opportunities & Constraints
- ◆ Implementation of Industry 4.0 and its impact in the supply chain
- ◆ Smart & Digital Future for the Indian Manufacturing Industry
- ◆ Upskilling for Industry 4.0
- ◆ Understanding the new energy landscape and what it means for industrial users
- ◆ Industry 4.0 for SMEs: Start Small, Scale up
- ◆ The Fourth Industrial Revolution and its impact on India's job creation
- ◆ Role of CMAs

Theme

**July 2019**

**Integrated Transport Ecosystem: the Way Ahead**

Subtopics

- ◆ Regulatory frameworks for integrated shared mobility Governance in India
- ◆ Ensuring Transport Safety and Security
- ◆ Transportation Infrastructure Supporting the Environment
- ◆ Public-Private Participation (PPP) in Infrastructure
- ◆ Intervention of Artificial Intelligence in Mobility industry
- ◆ Clean & Green Mobility in India
- ◆ Regulatory hurdles and urban transport
- ◆ Role of Transport in promotion of Tourism industry
- ◆ Role of CMAs

Theme

**August 2019**

**GST Audit: Emerging Scope for CMAs**

Subtopics

- ◆ GST Audit - An Overview
- ◆ GST Audit and Annual Return - Issues, Approach and Challenges
- ◆ GSTR 9C: Enhancement of scope for Professionals like CMAs
- ◆ Input Tax Credit Utilization Rules
- ◆ Special Audit in GST: Role of CMAs
- ◆ GST Audit and its impact on Ease of Doing Business

*The above subtopics are only suggestive and hence the articles may not be limited to them only. Articles on the above topics are invited from readers and authors along with scanned copies of their recent passport-size photograph and scanned copy of declaration stating that the articles are their own original and have not been considered for publication anywhere else. Please send your articles by e-mail to [editor@icmai.in](mailto:editor@icmai.in) latest by the 1st of the previous month.*



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# PRESIDENT'S COMMUNIQUÉ



*"Rumors are carried by haters, spread by fools and accepted by idiots."*

*-- Paulo Coelho*

**CMA AMIT ANAND APTE**

*President*

*The Institute of Cost Accountants of India*

***My Dear Professional Colleagues,***

***Namaskaar!!!***

The Election to the Council of the Institute and the Regional Councils have been announced. The elections of our Institute conducted every 4 years is an opportunity for all the members to exercise their voting right and choose the best candidates amongst themselves to serve the profession. I request all the members to vote judiciously in the best interest of the profession.

However especially in any election season rumor mongers are normally on a rampage. Our Institute elections are no different. We must remember that ours is a professional Institute. We are all highly qualified professionals. Our elections should be contested on the candidates own merits rather than spreading ill about other candidates. It is expected that we promote the highest level of professionalism in all our actions. We must understand that mass mailing incorrect information and spreading thru social media will not only affect the candidates but image of our own Institute. I request all CMAs not to promote / blindly believe any propaganda. Use your own wisdom and only then come to conclusions.

Remember Rumors are carried by haters, spread by fools and accepted by idiots.

**International Women's Day**

I am pleased to share that the Institute has organized several programs on the occasion of International Women's Day across the country. A program was organised by the Internal Complaints Committee of the Institute at Kolkata on the theme "Working women – Challenges faced" on 8th March, 2019. The key note speaker for the program was Ms. Krishna Basu, Social Activist. The program not only aimed to celebrate Women's Day and discuss contents on Women Empowerment but also to share deliberation in open forum on important facets of POSH, "The Sexual Harassment of women at work place (Prevention, prohibition and Redressal) Act, 2013 with reference to #Me too. In an another program, the NIRC of the Institute organised its 3rd Lady Summit on the theme "Women in Decision Making" on the occasion of International Womens Day on 8th March 2019 at CMA Bhawan, New Delhi. Ms. Rubika Liaquat, Television Anchor and Journalist was the Chief Guest for the program.

**Meeting on ACTIVE (Company KYC) form**

I am pleased to share that representatives from the Institute attended a meeting chaired by the Secretary, Ministry of Corporate Affairs on the recent initiative of the MCA i.e. ACTIVE (Company KYC) form held on 15th March 2019 at New Delhi.



# PRESIDENT'S COMMUNIQUÉ

## 34th Meeting of GASAB

I am pleased to inform that Institute's representative attended the 34th meeting of Government Accounting Standards Board (GASAB) held at the office of CAG of India at New Delhi on 26th March, 2019.

## 3rd National Finance Seminar of NLC India Limited

I am pleased to inform that I along with other council colleagues have attended the 3rd National Finance Seminar organized by the NLC India Limited on the theme "Challenges in Resource Mobilisation for Corporate World" on 15th & 16th March 2019 at Neyveli, Tamil Nadu.

## Activities at Regional Councils & Chapters

### Annual Programme of South Surat Chapter

I am happy to share that I attended the Annual Programme & Prize Distribution function organised by the South Surat Chapter of the Institute on 9th March, 2019, at Surat. Also, the Surat South Gujarat Chapter of Cost Accountants jointly with Surat Chapter of ICSI has successfully organized a half day program on Moot Court for the benefit of the members of both the Institutes.

### Golden Jubilee Celebration of Coimbatore Chapter

I am pleased to inform that the Coimbatore Chapter of the Institute is celebrating the completion of its 50 years of establishment. I was happy to participate in the Golden Jubilee Celebration program organized by the chapter on 16th March 2019 at Coimbatore.

### Golden Jubilee Celebration of Bhubaneswar Chapter

Bhubaneswar Chapter of the Institute celebrated its "Golden Jubilee" year by organising a program on 17th March 2019 at Bhubaneswar. Shri Sridhar Patra, Director (Finance), NALCO Ltd graced the occasion as the Chief Guest of the Celebrations. I am happy to note that the Bhubaneswar Chapter has organised a Blood

donation camp on the occasion and have also released a Special Postal Cover to mark the Golden Jubilee Celebrations.

## Banking & Insurance Committee

In series of celebrations on the occasion of the International Women's Day, there was overwhelming response by our female members, Spouse of male members, Students and officials of the Institute for the Essay Competition-IWD2K19. We would be happy to declare the results soon.

The Committee conducted a Webinar on "Product Costing Through SAP" & "Cost Audit in SAP Environment" on 8th March 2019 which was well appreciated by members.

The committee in association with Bhopal Chapter organised a Programme on Challenges in MSME Finance and New Models of Finance on 17th March 2019 at Bhopal. The program was inaugurated by the Chief Guest Shri Sanjay Pathak, Joint Director MSME, Government of Madhya Pradesh. The deliberations during the program were very enlightening.

## Cost Accounting Standards Board (CASB)

I am pleased to inform that the CASB, in continuation with organising the seminars on Cost Governance, organised two Seminars on Cost Governance Conclave on 22nd and 25th March 2019 in Ghaziabad and NOIDA respectively, which were well attended by the delegates. The Seminars were addressed by eminent cost accountants and well appreciated by the attendees. I fully appreciate this initiative of the CASB in order to create awareness of cost governance and cost management.

## Corporate Laws Committee

I am pleased to inform that as decided by the Corporate Laws Committee, following webinars were organised by the technical department:

- ★ Role of CMAs in goldmine opportunities in Business Tribunals - NCLT, PMLA, SAT, FEMA, GST etc., Tribunal Crafts, Drafting,

Appearance, Value Addition to clients by Advisory Services on 7th March 2019 and

- ★ IND AS on Financial Instruments - As - 109, As - 107 and As - 32 on 20th March 2019

I am happy to note that the committee has taken up relatively new topics for the webinar and the same will be of immense importance for the members. Both the webinars were well attended by the members. The initiative of the committee is praiseworthy.

### **Committee on Public Finance & Government Accounting**

The Committee in association with Ghaziabad Chapter organised a program on 'Cost & Management Accountant: The Way Ahead' on 10th March 2019 at Ghaziabad. There was an overwhelming participation at the program and sessions by eminent speakers were well appreciated.

### **Directorate of CAT**

The students of the CAT course have been important assets of the Directorate of CAT, and to strengthen them has always been at the core of the Directorate's functioning. The Chairman-CAT had an interactive session through webinar with the students registered in Certificate in Accounting Technicians (CAT) course on March, 6, 2019 to know more about their problems and the issues faced by them. During the webinar, students also gave suggestions for improvement in the CAT course.

The CAT Directorate has declared the month of **April 2019** as **CAT Promotion Month**. The Chairman-CAT requests all the employees of the CAT Directorate, ROCCs, Chapters, and Regional Council to organize career counselling workshops by visiting Colleges and Schools in order to get a good number of admissions in CAT Course. The employee concerned will be suitably appreciated. To attract more and more youth on-board, the Institute appeals to the Regional Councils, Chapters, Recognized

Coaching Centers (ROCCs), Members to rope in the volunteers for promotion of the CAT course and to further enhance the admissions. A "Certificate of Appreciation" will be given to the volunteers. For more details about the scheme, please refer to the Institute's website.

I am glad to inform you that the Council of the Institute has approved the revised syllabus of the CAT course. The revision of the syllabus has been done in line with dynamic financial and economic environment of the country. The study material will soon be updated in view of the revised syllabus.

I am also pleased to inform you that the CAT Directorate has begun the online admissions of CAT Course. The initiative will save precious time and cost of students. I would like to urge prospective students, ROCCs and Chapters to embrace the online admission procedure for the CAT course, the offline procedure will remain intact, though. I would like to thank Chairman-CAT, Directorate of CAT and IT Department for putting their efforts in making the online-admission system for the CAT course operational.

### **International Affairs Department**

#### **Dubai Global Convention 2019 by IOD**

Institute of Directors (IOD) has organized its Dubai Global Convention 2019 on 5-7 March, 2019, at Dubai on the theme 'Leadership for Business Excellence & Innovation'. The Institute was the Associate Partner for this Convention. I along with my council colleague attended the Convention.

#### **CAPA PSFMC Meeting at New Delhi**

I am happy to share that the Institute representative attended the Public Sector Financial Management Committee (PSFMC) meeting and events of CAPA during 10-11 March, 2019 at New Delhi.

#### **IFAC PAIB Meeting at New York**

I am pleased to inform that I along with my



Council Colleague attended the IFAC PAIB Committee Meeting held on 26th & 27th March, 2019 at New York.

### **Insolvency Professional Agency (IPA) of Institute of Cost Accountants of India**

The Insolvency Professional Agency of the Institute organized various Round table Interactions, workshops and webinars during the month on: Making Education Industry Relevant an experiencing with Graduate Insolvency Program.”

- ✱ Workshop on “Roles and Expectation from Committee of Creditors in IBC” in Kolkata on 8th March, 2019
- ✱ Workshop on “IBC- Scope, Challenges, Learning & way forward” on 15th March 2019
- ✱ 14th Batch of Pre-Registration Educational Course Jointly Conducted by 3 IPA at Kolkata from 9th -15th March 2019
- ✱ 15th Batch of Pre- registration Educational Course jointly conducted by 3 IPA at Chennai from 9th -15th March 2019
- ✱ Knowledge forum on IBC in association with NeSL at Chennai from 18th March 2019
- ✱ Webinar on (i) Charter of Responsibilities of IRP/RP and COC in CIRP (ii) Ease of Doing business (EODB), Under Insolvency and Bankruptcy Code, 2016 on 25th March, 2019
- ✱ Host and Lead partner in 16th Batch of Pre- registration Educational Course jointly conducted by 3 IPA at Delhi from 25th March to 31st March 2019
- ✱ Institutional Partner with Confederation of Indian Industry – “National Conference on IBC, 2016 Progress and Setting the Roadmap for Implementation of Cross-Border and Personal Insolvency Framework” on 25th March 2019.

### **Professional Development and CPD Committee**

PD & CPD Committee and Branding Cell

organized a seminar in association with Visakhapatnam & Ukkunagaram Chapters jointly with Andhra Chamber of Commerce Association on “Strategic Cost Management & Practical Issues on GST” on March 11, 2019, at Visakhapatnam, Andhra Pradesh. PD & CPD Committee and Taxation Committee jointly with Flat Promoters Association organized seminar on Impact of GST on Real Estate and Cost Management on 21st March, 2019 at Chennai.

I sincerely appreciate our Regional Councils and Chapters for organizing 108 programs, seminars and discussions on the topics of professional relevance and importance for the members such as, Value Creation through Indirect Taxes, Discussion on CAS-4 & Assurance Certificate for Cost Records, Ind- AS and GST Audit" annual return A Practical Perspective, Recent developments in the Companies Act, 2013, Valuation of Securities and Financial Assets as per Companies Act, 2013, Personal taxation and Return filing (AY 2019-20), Valuation exam: Opportunity and Exam Tips, Role of CMAs in Insurance, Webinar on Analytical Approach of 28th GST Council Meeting Decision to 34th GST Council Meeting Decision with Practical Example, webinar on Corporate Social Responsibility - Legal Aspects and Practicalities" and webinar on “Making Education Industry Relevant Experiencing with Graduate Insolvency Program”.

### **Representation with Government, PSUs, Banks and Other Organizations**

I am pleased to inform you that on the Institutes representation, Department of Commerce, Ministry of Commerce and Industry vide notification dated 7.3.2019 issued Special Economic Zones (2nd Amendment) Rules, 2019 and consider Cost Accountants for certification of Form-I Annual Performance Report for Units under Rule 22 of Special Economic Zones Rules, 2006. Further, Bureau of Indian Standards Dehradun issued corrigendum and included Cost

Accountants for Accounting Work.

PD Directorate is sending representation letters to various organizations for inclusion of cost accountants for providing professional services. Chhattisgarh State Power Distribution Company Limited, State Health Society Chhattisgarh, Satluj Jal Vidyut Nigam Limited, State Level Nodal Agency (SLNA), Central Cottage Industries Corporation of India Ltd, NIT Nagaland, Madhya Pradesh Power Management Company Ltd., National Textile Corporation Limited, Power Transmission Corporation of Uttarakhand Limited (PTCUL), Chhattisgarh State Power Distribution Company Limited, Mazagon Dock Shipbuilders Limited, Gujarat State forest development Corporation Limited, Karnataka Maharshi Valmiki Scheduled Tribes Development Corporation Ltd., Bureau of Indian Standards Chandigarh, IIM Ranchi, Bharat Sanchar Nigam Limited, Indian Rare Earths Limited (IREL), Brahmaputra Valley Fertilizer Corporation Limited (BVFCL), Namrup, Eastern Coal fields Limited, Jammu & Kashmir Bank Limited, National Highway Authority of India, etc., have included Cost Accountants in their Tenders/EOIs during the month of March 2019.

#### Technical Cell

I am pleased to inform that the 4th meeting of the Technical Cell was organised in Kolkata on 15th March 2019. There were intense discussions on the agenda items covering development of guidance notes, resolving queries of members and sending representation to the Government regarding various professional issues. I am happy that the Technical Cell has been inviting the eminent cost accountants of the region in its meeting and recording their views / suggestions on professional matters. I congratulate the members of the Technical Cell and wish them grand success in achieving the objectives of the Cell.

#### Taxation Committee

I would like to congratulate, Tax Research Department for successfully conducting a seminar on “Intricacies of Cost Audit & GST Audit” along with the Professional Development Department. Three noteworthy publications on the topics, Impact of GST on Education Sector, Taxation on Co-operative Sector and Input Tax Credit - An in depth analysis has also been released. The 35th & 36th Tax Bulletin has also been published. Examination of the 3rd Batch Certificate Course on GST has also been scheduled. I wish luck to all the examinees. The department, at Bangalore, has also successfully conducted and presented to the colleges on the importance of training students with knowledge on GST and the contributions of the Institute in this field. Interested colleges have signed MoU with the Institute on students training on GST. A representation has also been submitted to the Government, on “Input for the working of Tax Litigation Management Committee”.

I wish prosperity and happiness to members, students and their family on the occasion of Mahavir Jayanti, Ram Navami, Ambedkar Jayanti, Baisakhi & Bengali New Year and pray for the success in all of their endeavors.

Thanking you!!!

Warm Regards,



**CMA Amit A. Apte**

1<sup>st</sup> April, 2019



## A STUDY OF THE EFFECTS OF TRANSITION TO **IND AS** ON SELECTED PHASE I **PSUs**

### Abstract

*India's road towards IFRS was undertaken through convergence. In the first phase, around 350 companies adopted the newly introduced IFRS-based Ind AS for preparing financial statements. Ind AS theoretically differs from the old Indian GAAP in many aspects including valuation and classification. We take an empirical-analytic approach to evaluate whether adoption of Ind AS at all made a difference to the financial reporting of the first phase adopters among the PSUs. Our early-bird approach brings out that unlike private sector, financial statements of PSUs did not have a significant impact of the transition.*



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After the revolutionary decision of liberalisation, privatisation and globalisation in India, the Indian companies placed more importance on developing global acceptability and marketability. With the potentials of foreign investments, both the companies and the regulatory authorities focused on issues of transparency and disclosures. Companies registered under the Companies Act, 1956 had to comply with the requirements of preparing Financial Statements in accordance with the Generally Accepted Accounting Principles (GAAP) existing in India. The GAAP consisted of Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and duly notified by the Ministry of Corporate Affairs (MCA). These standards were the guidelines of accounting treatments to be followed while preparing the financial statements.

A major barrier to global acceptability of companies was the readability of Financial Statements. The Financial Reporting Framework in countries differed from one another. With a goal to open up the investment market, a major headache of lawmakers was the difference in domestic accounting principles and reporting guidelines (Narayanswamy, 2007, Lakmal, 2014). On the other hand, foreign companies operating in India faced difficulty in re-stating their financials as per the existing Indian financial reporting framework which was not in line the framework of their respective countries of establishment. These differences in reporting frameworks were not just a problem for India, but it was actually a major setback to globalisation and felt worldwide.

This led the establishment of the International Accounting Standard Board and drafting of the International Financial

Reporting Standards (IFRS). The primary objectives behind issuing the IFRS were to increase the reliability, readability and comparability of the financial statements worldwide and thereby facilitate cross-border trade and shareholding.

Since long, the ICAI, the NACAS and the MCA were considering revision of the existing GAAP in India due to the changing financial and investing patterns. However, the ministry and institute observed that the international standards may result in unwanted complexities and conflicts with existing laws and that may lead to inappropriate application and further, misinterpretation of financial information. Therefore, considering the social, legal and economic aspects of India, they opined for convergence with the IFRS rather than mere adoption. The Accounting Standards Board of the ICAI prepared the new Indian Accounting Standards (abbreviated as Ind AS) and till date, the ministry has notified forty-one Ind-AS. MCA decided to implement Ind-AS in India in a phased manner. Accordingly, adoption of Ind-AS for preparation of financial statement was made mandatory by the ministry from the Financial Year 2016-17 for all companies having a Net Worth exceeding Rs. 500 Crores (alternatively called the Phase I companies) for the immediately three preceding financial years and its holding, subsidiary, joint venture and associate companies. As a result, around 350 companies, falling within the definition of Phase I companies, reported their financial statements for the financial year 2016-17 as per the Ind AS. Moreover, these companies also re-stated the financial statements as on the date of transition (01.04.2015) and for the comparative period (2015-16) in accordance with Ind AS.

**Table 1: Phase-wise implementation plan of Ind AS**

Phase	Year of Transition	Applicability
I	Accounting Period beginning on/after 01.04.2016	<ul style="list-style-type: none"> <li>Companies (listed or unlisted) having a Net Worth of 500 Crore or more;</li> <li>Holding/Subsidiary/Joint Venture/Associate thereof.</li> </ul>
II	Accounting Period beginning on/after 01.04.2017	<ul style="list-style-type: none"> <li>Listed Companies and Companies under listing process.</li> <li>Unlisted Companies having a Net Worth of 250 Crore or more.</li> <li>Holding/Subsidiary/Joint Venture/Associate thereof.</li> </ul>
III	Accounting Period beginning on/after 01.04.2018	<ul style="list-style-type: none"> <li>Scheduled Banks</li> <li>Insurance Companies</li> <li>NBFCs having a Net Worth of 500 Crore or more.</li> <li>Holding/Subsidiary/Joint Venture/Associate thereof.</li> </ul>
IV	Accounting Period beginning on/after 01.04.2019	<ul style="list-style-type: none"> <li>Listed NBFCs having a Net Worth of less than 500 Crore.</li> <li>Unlisted NBFCs having a Net Worth of 250 Crore or more.</li> <li>Holding/Subsidiary/Joint Venture/Associate thereof.</li> </ul>

Source: Ministry of Corporate Affairs, Government of India

However, the Reserve Bank of India recently deferred adoption of Ind AS by scheduled banks by one year (i.e. from accounting period beginning on or after 01.04.2019).

### Literature Review:

Most of the works in the area of transition of accounting principles compared the IFRS with the local GAAP. Trewavas et al. (2012) studied the effect of IFRS adoption in New Zealand on public sector entities. They observed that the adoption had a great impact on the reporting of liabilities since IFRS required additional disclosures and a stricter approach to report liabilities in the financial statements. Tawiah and Benjamin (2015) used Grey's Index Conservatism and used Existing AS and IFRS (as a substitute of Ind AS) and concluded that Ind AS will provide more quality information. However, they assumed that reporting under IFRS and Ind AS will be absolutely similar. Black and Maggina (2016) examined the effects of IFRS adoption on financial statement data in Greece. They found that, unlike most cases, the adoption did not result in any improvement of the statistical behaviour of the financial ratios and the usefulness of financial statement did not improve. Silva and Nardi (2017) examined whether full adoption of IFRS increase conservatism, relevance, timeliness and reduce earning management and cost of capital for public companies in Brazil. They used various mathematical models, developed in prior researches, to show that earning quality and value relevance has increased due to full adoption of IFRS in Brazil. They further showed that the cost of capital has decreased in companies reporting under new principals.

### Research Objective:

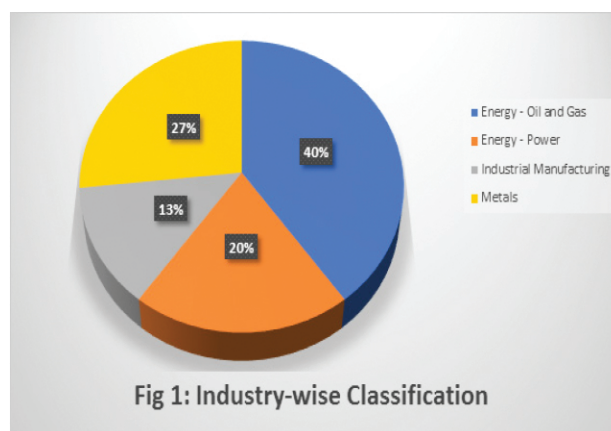
A rigorous review of the literatures reveals that effects of IFRS adoption is not uniform and differed from one nation to another. India moved for a convergence with IFRS through the introduction of Ind-AS and not by a straightway adoption. We wish to understand the impact of the transition to Ind-AS on three separate dimensions, namely – return, risk and liquidity of public sector undertakings. In line with the above objective, we attempt to address the following questions–

1. Whether the transition to Ind-AS has any impact on Return Ratios?
2. Whether the transition to Ind-AS affected the Debt-Equity Ratio?
3. Whether the transition to Ind-AS affected the Current ratio?

Since companies prepared their financial statement as on 31<sup>st</sup> March 2016 as per the existing Indian GAAP and in the very next year, included restated financial statement as on the same date in accordance with Ind-AS in the comparative information for the first Ind-AS adoption year (2016-17), we use this financial information to check the impact of Ind-AS.

### Sample and Methodology:

We used purposive sampling and selected Public Sector Undertakings included in NIFTY 50 and NIFTY NEXT 50 index who were Phase I adopters of Ind AS. Since banks were not required to adopt IFRS in the first phase, the scheduled banks have been excluded from the sample. Financial data is manually collected from their annual reports of the Financial Year 2015-16 and 2016-17. The industrial classification of the sample is hereunder –



On testing the normality, we find that except debt-equity ratio, no other data follows normal distribution. So, we take Student's pair t-test for debt-equity ratio and non-parametric Wilcoxon Signed Rank Test for the return on equity (ROE), return on assets (ROA) and current ratio.

Accordingly, we form the following hypothesis:

$H_{01}$  = ROE ratio of the adopting entities is not affected by transition to Ind-AS.

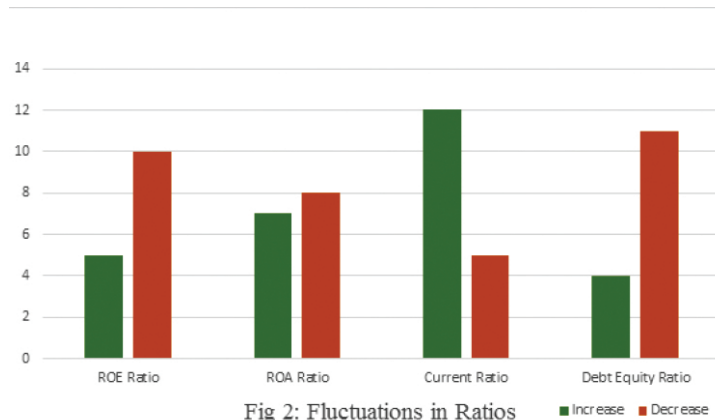
$H_{02}$  = ROA ratio of the adopting entities is not affected by transition to Ind-AS.

$H_{03}$  = Debt-Equity ratio of the adopting entities is not affected by transition to Ind-AS.

$H_{04}$  = Current ratio of the adopting entities is not affected by transition to Ind-AS.

## 5. Results:

Our evaluation show that ROE decreased in 66.67% cases whereas the Debt-Equity ratio decreased in 73.33% cases. On the other hand, the current ratio increased in 80% of the sample PSUs. Unlike the ROE, interestingly there was no specific trend in case of ROA ratio.



Studying it together, it appears that ROE ratio did not decrease because of a change in reported income, but due to increase in equity. The decreasing D/E Ratios trend further validate this observation.

**Table 2: Descriptive Statistic**

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
ROEGAAP	15	-0.10532	1.05216	0.16822	0.25983
ROEINDAS	15	-0.10260	1.03410	0.16374	0.25498
ROAGAAP	15	-0.04210	0.78342	0.09882	0.19302
ROAINDAS	15	-0.04008	0.77614	0.09898	0.19090
CRGAAP	15	0.39526	6.33900	1.92621	1.70599
CRINDAS	15	0.02177	6.32023	1.88892	1.78959
DEGAAP	15	0.10742	3.17534	1.21541	0.92921
DEINDAS	15	0.12205	3.07223	1.14054	0.90842

Source: Researcher's calculations on IBM SPSS Statistic v25

**Table 3: Wilcoxon Signed Ranks Test**

Ranks				
		N	Mean Rank	Sum of Ranks
ROEINDAS - ROEGAAP	Negative Ranks	10 <sup>a</sup>	9.00	90.00
	Positive Ranks	5 <sup>b</sup>	6.00	30.00
	Ties	0 <sup>c</sup>		
	Total	15		

		Ranks		
		N	Mean Rank	Sum of Ranks
ROAINDAS - ROAGAAP	Negative Ranks	8 <sup>d</sup>	8.25	66.00
	Positive Ranks	7 <sup>e</sup>	7.71	54.00
	Ties	0 <sup>f</sup>		
	Total	15		
CRINDAS - CRGAAP	Negative Ranks	3 <sup>g</sup>	10.67	32.00
	Positive Ranks	12 <sup>h</sup>	7.33	88.00
	Ties	0 <sup>i</sup>		
	Total	15		
a. ROEINDAS < ROEGAAP, b. ROEINDAS > ROEGAAP, c. ROEINDAS = ROEGAAP				
d. ROAINDAS < ROAGAAP, e. ROAINDAS > ROAGAAP, f. ROAINDAS = ROAGAAP				
g. CRINDAS < CRGAAP, h. CRINDAS > CRGAAP, i. CRINDAS = CRGAAP				

Source: Researcher's calculations on IBM SPSS Statistic v25

H1. At 5% Level of Significance,  $T^* = 25$ . In our test,  $T = \min \{90, 30\} = 30$ . As  $T = 30 > 25$ , we accept the null hypothesis that the population median of differences is not significantly different under the two different financial reporting frameworks.

H2. At 5% Level of Significance,  $T^* = 25$ . In our test,  $T = \min \{66, 54\} = 32$ . As  $T = 54 > 25$ , we accept the null hypothesis that the population median of differences is not significantly different under the two different financial reporting frameworks.

H3. At 5% Level of Significance,  $T^* = 25$ . In our test,  $T = \min \{32, 88\} = 32$ . As  $T = 32 > 25$ , we accept the null hypothesis that the population median of differences is not significantly different under the two different financial reporting frameworks.

**Table 4: Paired Samples Statistics**

	Mean	N	Std. Deviation	Std. Error Mean
DEGAAP	1.21541	15	0.92921	0.23992
DEINDAS	1.14054	15	0.90842	0.23455

**Table 5: Paired Samples Test**

	Paired Differences					t	df	Sig. (2-tailed)
	Std. De- viation	Std. Error Mean	95% Confidence Inter- val of the Difference					
			Lower	Upper				
DEGAAP - DEINDAS	0.07487	0.14659	0.03785	-0.00631	0.15605	1.978	14	0.068

Source: Researcher's calculations on IBM SPSS Statistic v25

H4: Since the p value (0.068) is more than the alpha (0.05), there is not enough statistical evidence that indicates the

population mean of differences under the two alternatives differ substantially.

### Analysis and Conclusion:

IFRS has numerous differences from the existing or old Indian GAAP. Ind AS, which is nothing but India's convergence with IFRS, also consist of some major variations from the old way of preparing financial statements in India. However, our results indicate that this transition did not make a rampant impact on the financials of public sector undertakings in India. In other word, our sample did not provide sufficient statistical evidence in this respect. The return, risk and liquidity aspect in case of public sector undertakings were not that affected by the transition to Ind AS so as to be statistically significant. Our results in respect of the Indian scenario appears to be different from that of Trewavas et al. (2012) in New Zealand. However, it should be noted that Ind AS was gracefully drafted to be appropriate in the Indian financial and legal frameworks and it rather purposefully avoids guidelines of IFRS that may cause major disturbance and fluctuation in the financial statements of Indian companies. Nevertheless, our own research with private sector entities provide a somewhat different outcome. Combining the two, it seems that Ind AS has a higher impact on private companies as compared to PSUs. On the other hand, we may substantiate our results from a different point of view (Daske et al., 2008) which contends that the first mandatory IFRS-based financial statements make negligible effect for firms that do not have much reporting incentives to apply IFRS. Observations from the Fig-2 above indicate that the changes in the ratios are mostly because of classification disparities and not for valuation differences.

### Limitations and Further Scope:

Our research took an early-bird empirical approach to provide an insight into the initial impact of transition to Ind AS on the public sector undertakings. Since a limited number of companies fell within the scope in phase I, our observations were based on a small sample. As more and

more companies start adopting Ind AS, the conclusive picture will appear vivid. Future research, taking reference from the initial evaluations, may be undertaken to further evaluate the impact on stock market movements, earning management and most of all, comparability of financial statements. **MA**

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## ATTENTION

*Authors and other contributors of the journal are requested to kindly send their original unedited photos/images in JPEG format only having high resolution (200-300 dpi). This is needed to maintain the required quality of the journal.*



## A STUDY OF ETHICS & INTEGRITY IN PUBLIC SECTOR ACCOUNTING WITH REFERENCE TO PUBLIC SECTOR BANKS

Public Sectors in India were created with the vision of creating jobs and proper utilization of available resources of the country for overall development. PSU's from the very beginning were never meant to solely focus on profit making. PSU's always had a socialistic point of view. In the light of the above, the accounting of PSU's was meant to be transparent, so that the balance sheet reflected the fair state of affairs of the company.

In the above scenario, ethics and integrity is the core theme behind the maintenance of accounting of any PSU.

Similarly, Private Banks were nationalized in 1969 & 1980 to facilitate the overall growth of banking services throughout the nation.

### History of Banks in India:

Before the arrival of the British the banking sector was mostly unregulated. There used to be sahuakars in villages who used to lend money to the people at their own will and mortgage. By the turn of 19<sup>th</sup> century, when the British

consolidated their power in Calcutta, a number of banks came up which were initiated by native merchants. But none of them survived for long time due to excessive speculation and irregular accounting.

By the late 19<sup>th</sup> century a number of Indian entrepreneurs like G D Birla, A B Shetty, Sorabji Pochkhanawala started a number of banks which were not only properly regulated, but also appropriately accounted for. However, opening an account and getting a loan was still a tough task. Keeping a view of these, the GOI in 1969 and in 1980 decided to nationalize the banks.

### Procedure of sanctioning of Loans and accounting the same:

Whenever a loan is sanctioned to a party, the bank needs to do a thorough background check of the person taking the loan. Various documents and papers of the business need to be verified and a suitable mortgage or guarantee needs to be established before the loan is sanctioned.

### Abstract

*Ethics & Integrity is an integral part of any organization. It plays an important role in the development of any country. Good Governance in State run organizations restores public faith & trust in the governing system. Central Vigilance Commission of India has taken the gigantic task of monitoring the rules and policies of every PSU so that maximum integrity is practiced and corruption is wiped off.*



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If the customer fails to pay successive installments on time, the banks need to send warning letters to the customer and also inform the same to the concerned authorities. If necessary the mortgages are auctioned to recover the loan amount.

However, in some cases, it is observed that the above procedure was not followed in granting loan and accounting the same. This has resulted the NPA's which in turn harms the economy of the nation.

### Major Bank Scams in India:

Loans sanctioned to Vijay Mallya: Indian industrialist & Politician Vijay Mallya have been accused of nonpayment of loans granted to his company by various Public Sector banks.

PNB Scandal: Indian Industrialist Nirav Modi and Mehul Choksi has been accused of taking a loan of Rs. 12,000 cr (approx) by violating the loan procedures. Various senior officials of Punjab National Bank has been suspended for helping them get the loan without proper paperwork.

Rotomac Scandal: Rotomac group is facing charges for a financial scam for whopping rs. 3700 cr from seven banks including Bank of Baroda.

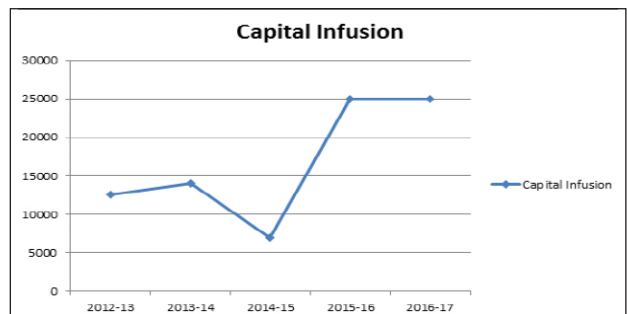
### Impact of scams on public:

As a matter of grave concern, these financial scams have impacted the trust of public upon the public sector banks. The question of ethics and integrity of the bank employees are under scanner and there has been panic among the people.

After the Nirav Modi scam hit the news, the share market hit a bottom low as people were scared of the banks and the financial institutions.

As revealed in an RBI report, over 5200 officials were held for fraud in PSBs between 1<sup>st</sup> January 2015 to 31<sup>st</sup> March 2017. Out of which, 2084 cases saw the involvement of insiders. It highlights the requirement of high level of integrity amongst the employees of PSBs.

It may also be noted that the money these industrialists have siphoned off has mostly been the public money. This has a deep rooted impact on the economy of the country as depicted in the below provided graph. In the last 05 financial years, the amount of money introduced by the government as capital infusion is as follows:



### Psychological reasons for scams:

Humans by nature are very much insecure. They crave for financial security. If we look into the same from the view point of the businessman, he has a fear that in near future his business might incur losses. This prompts him in siphoning off bank money raised through loans. If we consider the bank manager's point of view, he also thinks for his retirement fund. This prompts him to get involved in these financial scams against a cut. All these are rooted in the psychological fear and insecurity present in every human.

### Ethics and Integrity in managing the psychology:

Every professional body has a set of ethics and code of conduct for their members. In case of banks, these are regulated by internal codes of conducts that are present in each and every bank. But it is noticed that due to the above mentioned psychological insecurity, many people often get involved in various irregularities.

To curb the above, banks can get their employees trained on a regular basis about the ethics and code of conducts that the employees are expected to follow. It is also worth mentioning that no one can force ethics and integrity on a person. A person needs to be aware of the impact of these irregularities on the economy as a whole and also on the individual self.

### Conclusion:

People must be made aware that the money which is going to the scamsters pockets' are their hard earned money and if the money gets out of the country, everybody, including those who are involved will be affected. This kind of activity will paralyze the whole economy. If the system collapses, the future of every individual living in the country will be doomed. **MA**

### Reference:

Data collected from RBI website.

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# A BRIEF CANVAS ON ACCOUNTING REFORMS IN INDIAN RAILWAYS:

## WHY & HOW



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### Abstract

*An efficient transport system and its maintenance for growth are prerequisite for any economy. In the Indian economy, the railway is the most important mode of transportation as it connects small-big cities and villages across India. In the present scenario, the Indian railway is the backbone because of the reliable and feasible source on land. According to Vision 2020, it has been projected to develop a world-class railway infrastructure like USA, Japan and China.*

*Indian Railway already has a robust system of accounting; and thus for a fair degree of certainty and cost implications, Indian Railway shall benefit from shifting to an accrual-based accounting. For this purpose, accounting reforms in Indian Railways are needed which consist of accrual based accounting+ performance costing and outcome budgeting system. With this background, the aim of the particular study is to review and examine the needs, implications and outcomes of recent accounting reforms in Indian Railway.*

### Introduction:

The economic development of an economy largely depends on its infrastructure and among all infrastructures, transportation is one of the main streams for the growth of an economy. Among all transportation modes, the modern Indian economy is quite unimaginable without existence of railway network, which is the lifeline of Indian population for travel. From the beginning in 1853, the Indian Railway now emerged as a key transportation mode than 13.6 lakhs employees. It is the 4th largest rail network in the world after USA, Russia & China.

All the accounting and financial statements in Indian Railway are prepared and maintained as per the norms of Government of India. Later on the need was felt to modify the existing cash based accounting system. Consequently, by the recommendation of 12th Finance Commission, it has been decided by Railway ministry to shift towards accrual based accounting system under accounting reforms. It is an integrated approach of accrual accounting, performance costing and outcome budgeting, which ensures optimum outcome of all the resources.

### Review of Literature:

Sr. No.	Author	Description	Year
	Arora, Rajat	Indian Railways Accounting: Indian Railways gets ready for Accrual Accounting	2018
	Das Diptiman	Indian Railways Accounting Reforms: The Way Forward	n.d.
	Fadnis, CA, Manoj	Contribution of ICAI in Government Accounting Reforms	2017
	Gupta, Desh and Sathye, Milind	Financial Turnaround of the Indian Railways: A Case Study	2008

Sr. No.	Author	Description	Year
	Jain, Rakesh, and Sinha, RB	Government Accounting Reforms, AG Conference 2008	2008
	Lohumi, Manasi	Railways moves towards accounting reforms	n.d.
	Press Release	"Accounting Reforms in Indian Railways - A Strategic Mission for Sustainable Growth" Accounting System should be revealing and not concealing: ArunJaitley"	2016
	Rai Chandra	Need of Accounting Reforms - The case of Indian Railways	n.d.
	Raman, K.	Cash or Accrual? The accounting question faced by Indian Railways. A report examining the merits of switching over to accrual based accounting system by the Indian Railways	2014
	Report	Accounting Reforms of Indian Railways: Vision and Way Forward	2017

### Research Gap:

On the basis of possible review of literature, it has been found that the few studies on Indian railway, accounting reform, accounting reform in Indian railways, accounting reform and public sector units etc. have been done during different time period by the rail authority and different institutions. However, none of the study provides agenda regarding reviewing and examining the needs and implications of accounting reforms in India's largest transportation system- INDIAN RAILWAY. This facilitates the researcher to carry out study on "A Brief Canvas on Accounting Reforms in Indian Railways: Why & How" which tries to fill the existing research gap of horizontal nature.

### Problem Statement:

The researcher is trying to find answers of some questions in the particular study. It encompasses what is the importance of Indian Railways in Indian Economy? How financial statements are prepared and maintained by Indian Railways? Why need felt for accounting reform in Indian Railways? What is the composition of accounting reform in Indian Railways? What initiatives have been taken by Ministry of Railways towards Accounting Reform? What is

the present status of implementation of accounting reform in Indian Railways?

### Objective of the Study:

The present study senses to examine the different parameters of accounting reforms in public sector accounting in special context to Indian Railways. Particularly the study aims to:

- ✓ Assess the role of accounting reforms in public sector in India;
- ✓ Identify the need of accounting reform in Indian Railways; and its composition;
- ✓ Examine the initiatives taken by Ministry of Railways towards Accounting Reform; and
- ✓ Evaluate the present status of implementation of accounting reform in Indian Railways.

### Research Methodology:

- ✱ **Nature of Study:** The study is based on explanatory and descriptive research design.
- ✱ **Period of Study:** The secondary data have been taken for the particular study from 2007 to 2018.
- ✱ **Nature of Data Collection:** The study is based on mainly secondary data. The secondary data have been collected from the prominent sources i.e. books, journals, newspapers, magazines, reports, and web materials.
- ✱ **Analysis and Discussion:** The data collected from different secondary sources have been tabulated, analysed and discussed in a systematic way with the help of relevant graphs, pictures and graphs etc.

### Limitations of the Study:

The thresholds of the researcher, the study suffer from certain limitations which have been mentioned below:

- ✓ The study is secondary data oriented and the reliability of the conclusions draw depends on the reliability of the published data.
- ✓ Policies and strategies are basically framed and kept confidential at central level that is why; it was not possible to collect primary data through personal interview with the officials concerned in this regard.

### Rationale of Indian Railways in Economic Prosperity of Nation

A pivotal role has been played by service industry in the economic growth and development of a nation directly or indirectly. Being a part of service sector, an Indian railway is also contributing towards nation's economic prosperity.

As a transport infrastructure, Indian railway proved as six times more energy efficient than road transport and four times economical. Actually the social costs, in terms of environmental damage are significantly lower in Indian railway, and the construction costs also found to be nearly six times lower than roadways. It has been analysed from the report issued by railway, the Indian railway stood at fourth position in term of world largest rail network followed by USA, Russia and China.

### Preparation and Maintenance of Financial Statements in Indian Railways

In any organisation, financial accounting is used to record monetary transactions in order to portray an accurate image of financial position. In the post liberalisation era after the financial year 2000-01, the need was felt to shift from cash to accrual accounting system due to emerging expansion of rail network, technical up gradation, enhanced safety imperatives, which requires for huge financial resources for Indian Railways. That's is why, due to the highlighted need for improved financial reporting (operational results and financial position of Indian Railways) as per Generally Accepted Accounting Principles (GAAP) for various stakeholders, various committees were formed in post 2000 period in this regard.

### Accounting Reforms in Indian Railway: Why Need Felt?

The financial or and accounting reforms undergone by public administrations in recent decades due to innovations in financial and accounting techniques. Thus, seeing the benefits of accrual accounting over cash system, it has been recommended by the 12th Finance Commission to go for massive Accounting Reforms in Government organisation and to shift from cash basis of accounting to accrual basis of accounting system. Consequently, it has also been decided by the Ministry of Railway to go for Accounting Reform in Indian Railways as well. Furthermore, it has been stated by the honourable railway minister Suresh Prabhuthat "accounting reforms is a massive project and is not just confined to conversion from cash to accrual accounting but is an integrated project on management accounting, cost accounting and management information systems. Indian Railways to adopt the widely used accrual basis of accounting and will switch from the cash basis of accounting."

So that, it is quite clear that accounting reform in Indian Railway is based on three tier approach, i.e. accrual accounting+ performance costing+ outcome budgeting.

### Application Areas of Accounting Reforms in Indian Railways

In accounting reforms the three functional areas have been identified in the budget announcement of financial year 2015-16 in Accounting Reforms which are

**1. Accrual Accounting:** A key structure in progress towards the wider framework of public sector stands as the modern trend of shifting from cash based accounting to accrual based accounting in Accounting Reform. It has been seen in accrual accounting that that it is possible to take improved decision in order to enhance the effectiveness of public expenditure through the formation of more accurate and reachable financial information; and to improve the allocation of financial resources due to a better understanding into costs of policy and transparency of outcomes.

**2. Performance Costing:** A true and fair picture of Indian Railway's financial position; and the transparency in presentation of accounts has been seen in the area of accounting reforms, i.e. adoption and implementation of accrual accounting. Moreover, it has been realised that the lasting benefits also accumulate to the system by identifying, recording and classifying appropriate cost and profit centres; and allocating different costs in a unified and system driven structural design.

**3. Outcome Budgeting:** Outcome budgeting is also one of the important aspect and functional area in Accounting Reform in Indian Railways which enables the tracking of expenditure to desired outcomes. Basically, it lies on the philosophy of linking plans to outcomes. Thus, before committing outlays, well defined outcomes in area of operations, maintenance, procurement and infrastructure creation must be identified.

It has been stated by Hon'ble Minister for Railways in the budget speech for Railways in the financial year 2016-17 that "right accounting would determine right costing and hence right pricing and right outcomes". Thus the major benefits of accounting reforms in Indian Railways consists of providing deep understanding of managing financial resources; making a better evaluation of performance in terms of service costs, financial position and cash flows of the organisation; and enabling comparison between alternative dispositions of resources etc.

### Expected Benefits in Indian Railways from Accounting Reforms

*(Accrual Accounting + Outcome Budgeting + Performance Costing)*

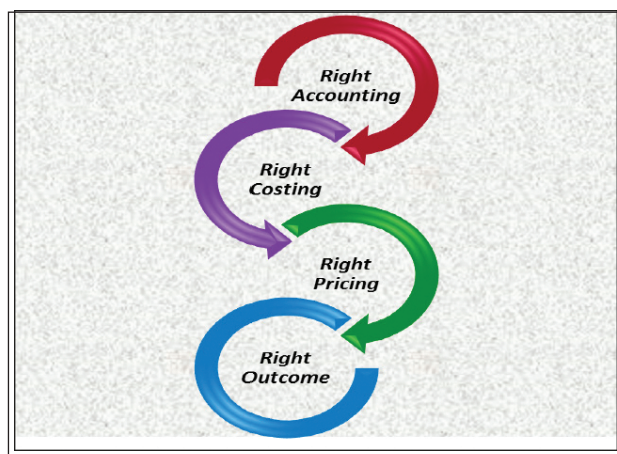


✴ **Proposed system of Accrual Accounting in Indian Railways:** The existing accounting systems of Indian Railways have been periodically. As a consequence, shift to Accrual Accounting has been adopted as one of the operational areas aimed at transforming the financial and operating landscape of Indian railways. The chief objective in Accrual Accounting involves recording financial transactions in the accounting period in which they accrue and arise, whether or not a receipt or payment occurs during that period.

✴ **Proposed System of Costing in Indian Railways:** As per the budget announcement 2015-16 it has been proposed to make available costing data online in key functional areas such as construction, expansion, maintenance, operation and post asset commissioning evaluation. The basic idea is to record different costs online; and to allocate them activity wise into lines of business; and lines of service in order to measure profitability.

✴ **Proposed system of Outcome Budgeting in Indian Railways:** The outcome budgeting is used to determine various outcomes at different levels viz. organisational, zonal and divisional and to link with capital and revenue budgets. the capital budget outcomes viz. material enhancement, route decongestion, safety, productivity gain, asset optimisation, skill development, capacity building, knowledge management, employee engagement etc. may be linked to the mission areas identified by the Hon'ble Railway Minister in budget speech 2016-17 viz. Mission Raftaar, Mission Zero Accidents etc. Moreover the revenue budget outcomes may be identified, demand wise, as enhancement of safety, efficiency etc.

**Figure 2: Expectations from Accounting Reforms in Indian Railway**



## Present Status of Initiatives Taken by Indian Railways

In the milestone of implementation of accounting reforms in Indian railways, the Accounting Research Foundation of the Institute of Chartered Accountants of India (ICAI ARF) has been engaged by Ministry of Railways to conduct a pilot study at North Western Railway zone for implementation of accrual accounting at a Zonal level. Likewise, a similar workout has also been initiated at Railway Coach Factory, Kapurthala with the objective to implement accrual accounting and an advanced costing system in a production unit. The last date for completion of Pilot study in NWR has been given as August 2016 and that in Railway Coach Factory, Kapurthala as December 2016. It is also endeavoured to roll out accrual accounting in Zonal Railways by September 2017 and in Production Units by January 2018.

ICAI-ARF is assigned to prepare financial statements of North Western Railway zone and Railway Coach Factory, Kapurthala on grafting basis, i.e. based on existing financial statements with some additional information in respect of accrual elements. Same strategy planned to adopt in preparing financial statements of other Zonal Railways and Production Units during the roll out phase. However it is proposed to work in parallel to extend the online accounting software by creating capabilities for preparing financial statements by capturing data on accrual impact on transaction basis, so as to eliminate the lag in conversion of existing accounts to the desired format.

## Accounting Reform Project in Indian Railway: Pilot Project

In regard to accounting reforms in Indian Railway, a pilot project has been implemented of accrual accounting on Ajmer Division which has been upgraded to entire North Western Railway, in which the following actions are performed:

1. Under pilot project Accrual Based Fixed Assets Register and Financial Statements of NWR prepared for the financial year 2014-15.
2. Following documents have been released in a National Conference held on December 20, 2016 at Vigyan Bhawan:
  - ✴ Opening Balance Sheet of North Western Railway as on 31st March 2014;
  - ✴ Financial Statements for financial year ended 2014-

2015 including balance sheet, statement of profit and loss, cash flow statement, accounting policies and notes to accounts

## Key Findings of Pilot Study:

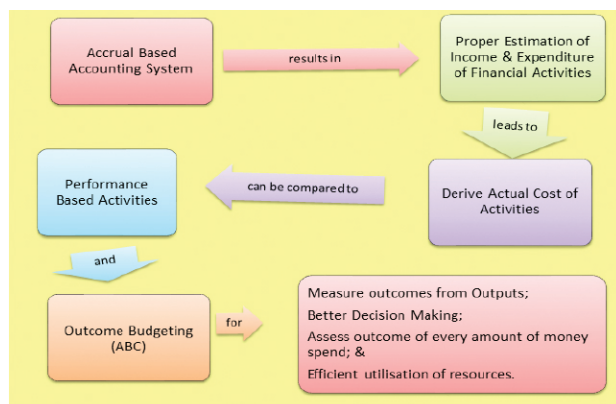
1. Segregation of CWIP of INR 2,102 crores;
2. Assets Count of 63000 out of which 13000 values have been not available and taken at Nominal Value of INR1.00;
3. Depreciation of INR 499 Crores (whereas appropriation was only of INR 291Crores);
4. Outstanding Lease Liability of INR 2,271 Crores has been identified;
5. Actuarial Liability of INR 28253 Crores identified for North Western Railway Zone only.

Along with this, a Pilot Study has also been undertaken on Railway Coach Factory Kapurthala, Production Unit of Indian Railway.

## Current Status of Accounting Reforms in Indian Railway

- ✓ Pilot study on Performance Costing started on Northern Railway in association with Institute of Cost & Works Accountants-Management Accounting Research Foundation (ICWAI-MARF).
- ✓ The consultants have submitted draft As-Is-Report detailing existing costing system and are now developing the improved costing system.
- ✓ Three-tier Advisory Body as indicated below formed on Northern Railway to guide and assist the study:
  - ✱ PHOD committee to guide and monitor study;
  - ✱ SAG Officers Committee to assist consultants; and
  - ✱ A team of JAG officers to coordinate with the Consultants for field study.

**Figure 3: Accrual Based Accounting Procedure**



## Future Plan of Action

Actions have already been taken by Ministry of Railway for the completion of pilot study at Rail Coach Factory, Kapurthala, for preparation of consolidated balance sheet in financial year 2015-16 and 2016-17, improvement of design framework for performance costing and outcome budgeting system. Possibly it may lead to roll out the accrual accounting in 17 railway zoned and 8 production units along with Central Organisation for Railway Electrification (CORE), Central Organisation for Modernisation of Workshops (COFMOW) and Railway Board in India. Consequently, in-long term, Indian railway has a plan to move to IGFRS in line with the global standards, i.e. IPSAS.

## Concluding Remarks

In our Indian economy contributes the foremost share of GDP contributed by Indian Railway through employment generation, freight collection, e-catering services etc. Thus, in order to maintain transparency in data with high degree fairness it becomes necessary to switch over from cash based to accrual based accounting in regard to expenditure incurred by Government along with performance costing system to present online costs, and outcome budgeting for optimum financial resource allocation.

In regard to accounting reforms in Indian Railway, a pilot project has been implemented of accrual accounting on Ajmer Division which has been upgraded to entire North Western Railway along with a Pilot Study on Railway Coach Factory Kapurthala, Production Unit of Indian Railway. as a result of pilot project it has been found that ICAI-ARF prepared financial statements of NWR for the financial year 2014-15; completed the pilot implementation of accrual based financial statements in NWR and finalised the publication on 'NWR Financial Statement (Accrual Basis), Implementation Manual & Accounting Policies' FRS which are in line with the global standards i.e., IPSAS. Now a Pilot study on Performance Costing has also been started on Northern Railway in association with Institute of Cost & Works Accountants-Management Accounting Research Foundation (ICWAI-MARF).

## Further Scope of Study

The particular study is descriptive and discusses about the role of accounting reform in Indian Railways. The special emphasis has been given to examine and evaluate the needs, applications and the present status of initiatives taken by Ministry of Railways in this regard. Further the study may be conducted on:

- ✱ Anempirical study may be conducted on accounting

reform and its implementation separately in a particular Railways zone.

✱ A study may also be done through financial analysis before accounting reforms (i.e. cash based accounting system) and after accounting reform (i.e. accrual based accounting system.)

✱ A comparative study may be conducted on the outcome of the implementation of accounting reform in two or more than two Railway zones etc. **MA**

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## Abstract

*Public Sector Accounting is the process of recording, analyzing, classifying, summarizing, communicating and interpreting financial information of Government organization. Present Government Accounting System is primarily based on Cash basis of accounting. It is conducted by Government Accounting Rules, 1990 (GAR) framed under article 150 of the Constitution of India. GASAB has developed accounting standards under cash basis known as Indian Government Accounting Standards (IGAS) for the existing accounting system, and standards for accrual basis under Indian Government Financial Reporting Standards (IGFRS). Regarding the various reforms, Many State Governments have agreed in principle to introduce accrual accounting system in their Government organizations. Most of the developed countries have used accrual basis of accounting in their Government organizations. We can say that if the government is adopting accrual basis of accounting in a phased manner over a span of 10 years, it is useful for all the stakeholders in the country.*



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Public Sector Accounting is the process of recording, analyzing, classifying, summarizing, communicating and interpreting financial information of Government organization. It is also known as Government Accounting System (GAS).

## **Purpose and Objectives of Government Accounting System**

The main purpose of Government Accounting is to reflect transactions and other economic events involving receipts, disbursements, transfers,

disposition of assets and liabilities. The objectives of government accounting are as follows;

- To carry out the financial business of government in a timely, efficient and reliable manner like payments, settle liabilities, sell asset etc.
- To maintain systematic, easily accessible accounting and government records having past transactions and current financial status, so that transactions can be identified and traced in a detail manner.
- To keep financial records suitable for budgetary control, internal control and the need of the auditors.
- To provide means for effective management of government assets, liabilities, revenues and expenditures.

### Objectives of the study

- To highlight the Government accounting system in India.
- To show the trends in Revenue Receipts of selected States in India.
- To highlight the reforms in Government accounting system in India.
- To highlight the Government Accounting reforms in Developed Countries.

### Methodology

The study is based on conceptual framework, descriptive and analytical. Data has been collected from Government websites i.e. Comptroller and Auditor general of India (CAG) and various reports.

### Data analysis, Presentation and Findings

#### i) To highlight the Government accounting system in India

The Government accounting system in India is primarily based on cash basis of accounting. The government accounts in India is conducted by Government Accounting Rules, 1990 (GAR) framed under article 150 of the Constitution of India. Comptroller and Auditor General of India has constituted Government Accounting Standard Advisory Board (GASAB) with the support of Government of India regarding the new priorities emerging in the Public Finance Management. The aim of GASAB is to formulate and recommend Indian Government Accounting Standards (IGASs) for improving standards of government accounting and financial reporting that will strengthen decision making and public accountability.

GASAB has developed accounting standards under cash basis known as Indian Government Accounting Standards (IGAS) for the existing accounting system, and standards for accrual basis under Indian Government Financial Reporting Standards (IGFRS).

GASAB has so far developed six IGAS and submitted them to the government of India for recommendation, of which 3 IGAS has been already notified by the Government of India.

#### IGAS notified by the Government of India

1. Guarantees given by Governments: Disclosure Requirements (IGAS 1)
2. Accounting and Classification of Grants-in-aids (IGAS 2)
3. Loans and Advances made by Governments (IGAS 3)

#### IGAS approved by GASAB and under consideration of Government of India

1. Government Investment in Equity (IGAS 9)
2. Foreign Currency transactions and loss or gain by Exchange rate variations (IGAS 7)
3. Public Debt and other Liabilities of Governments: Disclosure Requirements (IGAS 10)

In addition, GASAB has so far developed five IGFRS and submitted them to the Government of India for consideration.

1. IGFRS 1 – Presentation of Financial Statements
2. IGFRS 2 – Property, plant & Equipment
3. IGFRS 3 – Revenue from Government Exchange Transactions
4. IGFRS 4 – Inventories
5. IGFRS 5 – Contingent Liabilities (other than guarantees) and Contingent assets: Disclosure Requirements

*Source: [www.cag.gov.in/ Government Accounting Standard Advisory Board/Standards and Exposure Drafts]*

#### ii) To show the trends in Revenue Receipts of selected States in India

In this section, the trend in Revenue Receipts of selected States has been shown. Trends of Revenue Receipts can be shown from three perspectives;

- ✳ State's Own revenue



★ Share of Central tax

★ Non-Tax revenue

**Table 1: Trends of Revenue Receipts of Andhra Pradesh, Assam and Chhattisgarh**

	Andhra Pradesh (Rs. in Crore)			Assam (Rs. in Crore)			Chhattisgarh (Rs. in Crore)		
	States Own revenue	Non-Tax revenue	Share of Central tax	States Own revenue	Non-Tax revenue	Share of Central tax	States Own revenue	Non-Tax revenue	Share of Central tax
2007-08	32856.1	9640.54	11000	8277.71	2647.1	1050.3	2280.67	2202.21	2608.91
2008-09	33358.3	9683.41	11801.5	4150.21	2271.91	5189.89	2151.56	2020.44	2205.12
2009-10	35175.7	7803.22	12141.7	4986.72	2750.94	5339.53	7123.25	3043.01	4380.66
2010-11	45139.6	10719.7	15236.8	5929.85	2373.33	7968.61	9005.14	3835.32	5425.19
2011-12	53283.4	11694.3	17751.1	7638.24	2866.76	9283.53	10712.3	4058.48	6320.44
2012-13	59875.1	15999.1	20270.8	8250.21	2473.59	10601.3	13034.2	4615.95	7217.6
2013-14	64123.5	15472.9	22131.9	8994.92	2705.04	11574.5	14342.7	5101.71	7880.22
2014-15	29854.9	8181.35	11446.3	9449.81	2412.89	12283.7	15707.3	4929.21	8363.03
2015-16	39906.5	4920.01	21893.8	10106.5	2741.57	16784.9	17074.9	5214.71	15716.5
2016-17	44181.4	5192.84	26263.9	12079.6	4353.13	20188.6	18945.2	5669.25	18809.2

Source: [www.cag.gov.in/StateAccounts](http://www.cag.gov.in/StateAccounts)

**Table 2: Trends of Revenue Receipts of Haryana, Jammu & Kashmir and Karnataka**

	Haryana (Rs. in crore)			Jammu & Kashmir (Rs. in Crore)			Karnataka (Rs. in Crore)		
	States Own revenue	Non-Tax revenue	Share of Central tax	States Own revenue	Non-Tax revenue	Share of Central tax	States Own revenue	Non-Tax revenue	Share of Central tax
2007-08	13379.9	2320	1565	3175.39	1198.68	278.83	34799.42	3158.99	5332.25
2008-09	13252.17	2500	1668	2682.96	837.16	1826.95	32765.99	3357.65	5027.48
2009-10	13219.5	2741.4	1774.47	3027.32	955.03	1914.76	30578.6	3333.8	7359.98
2010-11	16790.37	3420.93	2301.75	3482.58	1093.11	3066.98	38473.12	3358.29	9506.31
2011-12	20399.46	4721.65	2681.55	4745.48	2001.65	3495.11	46475.96	4086.86	11075.04
2012-13	23559	4673.15	3062.13	5832.43	2160.19	3870.37	53753.55	3966.11	12647.14
2013-14	25566.6	4975.06	3343.24	6272.74	2869.69	4142.1	62603.53	4031.9	13808.28
2014-15	27634.57	4613.12	3548.09	6333.95	1978.05	4477.23	70180.21	4688.24	14654.25
2015-16	30929.09	4752.48	5496.22	7326.19	3912.79	7813.48	75550.18	5355.04	23983.34
2016-17	34025.68	6196.09	6597.47	7819.13	4072.19	9488.6	82956.13	5794.53	28759.94

Source: [www.cag.gov.in/StateAccounts](http://www.cag.gov.in/StateAccounts)

**Table 3: Trends of Revenue Receipts of Madhya Pradesh, Manipur, Mizoram and Odisha**

	Madhya Pradesh (Rs. in Crore)			Manipur (Rs. in Crore)			Mizoram (Rs. in Crore)			Odisha (Rs. in Crore)		
	States Own revenue	Non-Tax revenue	Share of Central tax	States Own revenue	Non-Tax revenue	Share of Central tax	States Own revenue	Non-Tax revenue	Share of Central tax	States Own revenue	Non-Tax revenue	Share of Central tax
2007-08	24380.63	2738.18	5729.4	557.89	181.04	2123.8	440.87	130.3	1468.57	12285.48	2588.11	3159.02
2008-09	22221.14	13614.05	3342.86	170.07	253.46	580.81	478.01	158.67	2016.45	7995.2	3176.15	8279.56
2009-10	17272.81	6382.04	11076.98	196.04	239.75	597.56	502.11	126.51	2334.89	8982.34	3212.2	8518.65
2010-11	21419.34	5719.77	15638.51	267.05	259.88	990.57	582.1	146.72	2126.55	11192.67	4780.38	10496.86
2011-12	26973.44	7482.73	18219.13	368.07	311.53	1154.03	1006.45	168.03	2650.42	13442.74	6442.96	12229.12
2012-13	30581.7	7000.22	20805.16	332.83	231.78	1317.83	1009.1	212.8	3314.84	15034.13	8078.03	13965.01
2013-14	33552.16	7704.99	22715.27	472.73	260.67	1438.79	1087.86	194.26	3482.73	16891.59	8378.6	15247.24
2014-15	36567.12	10375.23	24106.99	516.83	183.73	1526.89	1177.19	241.96	4091.95	19828.3	8070.87	16181.22
2015-16	40213.65	8568.79	18330.31	550.44	149.48	3142.42	2706.52	297.63	3672.25	22526.95	8711.24	23573.79
2016-17	44193.65	9086.51	23962.53	586.67	164.8	3757.13	3242.44	365.22	3790.64	22852.39	8043.1	28321.5

Source: [www.cag.gov.in/StateAccounts](http://www.cag.gov.in/StateAccounts)

From the above tables, it has been seen that revenues of ten States has increased over the years 2007-08 to 2016-17. Most significantly, States Own revenue of ten states is gradually increasing over the years. Moreover, share of central tax to all these ten States has increased over the years. It signifies that, with the rise in the responsibility of the Government, the size of operation has gone up substantially.

### iii) To highlight the reforms in Government Accounting System in India

Twelfth Finance Commission in its report submitted in November, 2004 recommended the introduction of Accrual basis of accounting in Government. In this regard, the Finance Commission prescribed the transition from cash basis to accrual accounting will place considerable demands on the accounting personnel in various Government Organizations, particularly at lower and middle level of accounting hierarchy consisting of accountants, treasury officers etc.

The Government of India accepted its recommendations to move to accrual accounting for the Union and State Governments, and the roadmap for transition to accrual accounting has been prepared by Government Accounting Standard Advisory Board (GASAB).

First the Ministers and departments at Union level are taking up pilot studies for knowing their requirements for implementation.

Second, the State Governments are also being taken on board. Office of the Comptroller and Auditor General of

India has taken up the matter with the state Governments for sensitizing them on accrual accounting through seminar-cum workshop. Many State Governments have agreed in principle to introduce accrual accounting in their Government Organizations. Pilot studies have already been undertaken some states under the aegis of GASAB like Madhya Pradesh, Andhra Pradesh, Haryana, Gujarat and Rajasthan.

In this context, Supreme Court of India opined that accounts of local bodies should be in accrual basis. Based on that, several municipal corporations have adopted the accrual basis of accounting. As of 2011, 48 urban local bodies in 17 States have switched over to accrual accounting. Four States-Gujarat, Karnataka, Kerala and West Bengal have adopted accrual accounting for Panchayat Raj institution.

Source: [ICAI report of Committee on Public Finance and Government Accounting, 2017]

### iv) To highlight the Government Accounting reforms in Developed Countries

Reforms in Government Accounting System have been successfully done by several countries. Reforms in Government Accounting System in Developed countries are discussed below;

#### Reforms in U.K.

UK Government made the reforms like in Consultative Green Paper (Treasury 1994a) in July, 1994 was followed by a White Paper in July, 1995 (Treasury 1995a). Resource Accounting involves moving from cash accounting to

accruals, aligning government accounting with United Kingdom generally Accepted Accounting Practice (UK GAAP). However the financial management reform took root in UK in 2001-2002 with the full implementation of Resource Accounting and Budgeting (RAB).

### Reforms in USA

In 1993, the US Government enacted the General Performance Results Act (GPRA) to improve the effectiveness, efficiency and accountability of federal programs. Government Accounting Standards Board (GASB) has issued about fifty standards and these have been adopted in several Urban and Local bodies.

### Reforms in New Zealand

Accounting reforms on a nationwide scale was successfully pioneered by the New Zealand government by the end of last century. An analysis of the financial statements bears out truth. The accounts indicate a high level of accountability at the helm, and bring the disclosure practices of public accounts closer to private (commercial) practices envisaged under various enactments such as the Companies Act, 1956 and SEBI Regulations.


**Table 4: Status of Global Accounting Level**

Country	Full Cash Basis	Combination of Cash and Accrual Accounting	Full Accrual Basis
Australia			✓
Austria	✓		
Belgium	✓		
Cambodia		✓	
Canada			✓
Colombia			✓
Czech Republic	✓		
Finland		✓	
France			✓
Germany	✓		
Greece	✓		
Hungary	✓		
Iceland		✓	
India	✓		
Indonesia		✓	
Ireland		✓	
Israel		✓	
Jordan		✓	

Kenya	✓		
Mexico		✓	
Morocco	✓		
Netherlands	✓		
New Zealand			✓
UK			✓
USA			✓

Source: [Government Accounting Standards Advisory Board Secretariat (2010) *India Journey to Government Accrual Accounting*, April p14]

### Conclusions

As we know, currently, Indian Government is following cash basis of accounting, there are various advantages associated to accrual accounting for government system. It is right time to convert cash system to accrual system so accountability and responsibility can be determined in a systematic way. At the same time, government accounting will be with latest reporting and disclosure practices as per the international requirements. There are many difficulties and issues involved in this process. But if the government is adopting accrual basis of accounting in a phased manner over a span of 10 years, it is useful for all the stakeholders in the country. 

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# IPSAS: REFORMING PUBLIC SECTOR ACCOUNTING LANGUAGE



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## Abstract

*Reforming the language of public sector accounting is required in order to enhance the accountability and transparency of the government. This would result in better allocation of resources and would invoke a sense of responsibility in the institutions. Twelfth and thirteenth finance commission of India has also supported the implementation of International Public Sector Accounting Standards (IPSAS) for improving the government accounting systems. India, as a developing nation, has already established itself in the field of accounting and is in the transitioning towards the global accounting practices from the local ones. Under the given set of variations across economic and political subsystems of the states within the country, it still has a long way to go.*

Public sector organisations are entities that are assigned the task of providing the services to the public at large in an economy so as to ensure appropriate distribution of resources. Such entities are run by government and are financed by the taxes (Kara, 2012). Governments in developing economies need reforms in public sector governance and accounting. Such reforms are inspired to bring in modernization of the governments. The reforms, in order to be implemented successfully, must focus on all the three levels i.e. central, regional and local levels. The underlying assumption is that by bringing in reforms in the governance practices of the public sector organisations the accountability of such organizations would raise and thus, this would enhance the performance of the government organisations at large (Pollitt and Bouckaert, 2011; Aucoin, 1990). A shift in emphasis away from the structural devolution, disaggregation and single purpose organizations and toward a whole-of-government approach has been observed (Christensen and Laegreid, 2007).

Reforms of the economic institutions are closely knitted with the extent of development of the political and economic machinery of the government. In order to enhance the governance, accountability, consistency and comparability, implementation of a comparatively better and uniform accounting language for reporting the results of the public sector entities is required. Financial reporting is considered as a communication discipline and has often been referred to as 'language of business'. Globalisation has indicated that it is a prerequisite to have a single globalized language for reporting and accounting the financial results of the organization. Globalisation is said to be incomplete if the language for the accounting is not globalized. Adopting a single set of reporting standards by the economies across the globe can globalized the accounting language. International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS) play the role of key moderators for standardizing the language of accounting and financial reporting (Godfrey and Chalmers, 2007) and bring in the uniformity across economies.

Public sector accounting is the function which summarizes the results of the finance function of the government. Government's finance function is mainly constrained for the allocation of the funds or resources to the different other institutions. The machinery of public

sector accounting aims to assign the fiscal accountability of the government. Public sector accounting is defined as “process of recording, communicating, summarizing, analysing and interpreting government financial statements and statistics in aggregate and details; it is concerned with receipts, custody, disbursement and rendering of stewardship of public funds entrusted” (Adams, 2004). Accounting practices in such entities involve collecting, recording, analysing and summarizing of financial reports and statements of the financial events and transactions. Thus, the reports prepared aim to communicate results to stakeholders in transparent and accountable manner (Kara, 2012). Establishing legitimacy of the transactions with the rules and regulations, enhancing accountability of the bodies involved in transactions, providing evidence that the resource allocation has been carried out with due diligence, all future decisions are under gambit of the government policies, timely knowledge and information of the actions taken by government through appropriate reporting and evaluation of the costs incurred and the benefits reaped are the main objectives which public sector accounting is expected to bring in.

Reforms in public sector accounting are often guided or suggested by the organizations operating at global level and provide financial aid to the emerging economies. Such institutions like World bank, IMF etc. often prescribe the adoption of reforms along with the financial aid which they provide to economies. Thus, such institutions create a force on the governments to adopt the rules and regulations which are somewhat similar to those of the developed economies (Polidano, 1999). On one hand, the globalization of language brings in uniformity and enhances the comparability of the financial records,

but on the other hand, it has been pointed out that differences across the social, economic and political characteristics of each country raise concerns about the capability of the economies to implement and enforce an identical set of regulations (Godfrey and Chalmers, 2007).

Globally, the governmental accounting practices adopted are diverse across the developing and developed economies. There are four main approaches which are followed for government accounting i.e. cash basis, modified cash basis, full accruals basis, and modified accruals basis. Guthrie, Olson and Humphrey (1999) have pointed “different types of reforms have been promoted at different levels of government, by parties from different ends of the political spectrum and in different economic and social contexts”.

### **IPSAS: Global Language for public sector accounting**

International Federation of Accountants (IFAC) was founded on October 7, 1977, in Munich, Germany with the aim to strengthen the accounting profession at a global level. The organization supports the development, adoption and implementation of the standards for accounting. It provides for the four standard-setting boards which develop and establish standards on ethics, auditing and assurance, accounting, and government accounting. International Public Sector Accounting Standards Board (IPSAB) develops International Public Sector Accounting Standards (IPSAS). IPSAB acts as the moderating organization which aims to improve the financial reporting practices by establishing a single language of financial accounts of public sector entities. IPSAS refers to the set of accounting standards employed for preparing and reporting the financial

statements of public sector entities. They are based on International Financial Reporting Standards (IFRS) and are modified for the purposes of government organization.

IPSAS aims to develop and establish accounting standards on accrual basis for global reference purposes. In accrual accounting, transactions are recognised as per the happening of underlying economic events regardless of the occurrence of receipts and payments (Khan and Mayes, 2009). The aim of such accounts is to establish a comprehensive view of the government assets and liabilities. The information contained in such accounts is more helpful in providing information to wide range of users so as to evaluate the allocation of resources and increase the level of accountability on part of the government. Accrual based public accounting enhances the comparability of the accounts, provides better estimates on the adequacy of the cashflows to meet short term or long term liability.

### **The Global Experience**

Organization for Economic Co-operation and Development (OECD) and IFAC (2017) have reported that financial reporting also acts as strong foundation of good fiscal management. Hyndman and Connolly (2011) tracked the accrual accounting progress in the public accounting systems in UK and Ireland. They found that accrual accounting system was embedded in UK whereas in Ireland it was a shift to accrual accounting. The reasons pointed out by the study (Hyndman and Connolly, 2011) for Republic of Ireland’s non-operationalization of the accrual based accounting were choices based on pragmatism, not to embrace the ideas with enthusiasm, cultural differences, weak ideology, political pressures and the experience of other economies.



International Monetary Fund (IMF) in September 2009, reported that few countries (Australia, Canada, Colombia, France, New Zealand, UK and US) have adopted complete accrual basis of accounting for public sector accounts. Canada, New Zealand, UK and Australia are the nations praised as success for transitioning to accrual-based accounting system in a comprehensive manner (Jovanovic, 2015; Champoux, 2006). New Zealand and Australia have also shown improved fiscal discipline after reporting reforms (Champoux, 2006). Strategic plans for implementing accrual accounting are in place for Austria, Macedonia and Slovenia (Jovanovic, 2015). Jovanovic (2015) reported that the reporting practices for the public sector accounts are still on cash basis despite the fact that governments attempt to adopt accrual based accounting standards and are transitioning towards the international standards.

In July 2015, a survey by PWC suggested that the biggest shift in adopting the accrual accounting practices for government accounting would be from Africa and Latin America. International Public Sector Financial Accountability Index 2018, prepared by International Federation of Accountants and The Chartered Institute of Public Finance and Accountancy jointly, reported that out of 150 countries captured in 'International Public Sector Financial Accountability Index' 37 governments have reported on the basis of accrual public accounting, 67 countries are transitioning from cash to accrual, 46 governments are still employing cash-based accounting system. Out of 37 governments which have adopted accrual accounting system, 51% are employing IPSAS. The International Public Sector Financial Accountability Index: Status Report projects that in 2023 nearly 65% of the governments would be employing fully accrual

accounting system to report their accounts. (IPFSAI, 2018). Nepal, Bangladesh, Pakistan and Sri Lanka have implemented IPSAS. Accrual based public accounting system is well established across OECD countries but developing economies are yet to follow the accrual accounting system. In case of some countries, a decoupling situation where the implemented version of accrual accounting system has been found different from the intended one owing to different cultural beliefs and norms. Some studies have also indicated that international organisations try to impose practices in the less developed economies with the intent of serving their own economic and legitimation needs and have lower inclination in solving the actual problems of the less developed economies or developing economies (Uddin, Gumb and Kasumba, 2011; Rahaman and Neu, 2007). Cultural values of stakeholders are also referred to as an important factor which influence the adoption of public sector accounting reforms in emerging economies (Ashraf and Uddin, 2011). Wynne (2016) explained that most governments could improve the quality of their financial reports if they focus on 'best practice' as opposed to the exercise of international accounting standards that are more onerous to comply with i.e. across timeliness, ease of understanding, transparency and consistency.

The capability of the operative machinery in emerging economies is also one of the relevant factors which influence on the adoption of public sector accounting. Opportunistic attitude (corruption), manual bookkeeping, sluggish attitude on 'costing', bureaucratic procedures, cultural and habitua barriers, technological barriers, lack of expert human capital etc influence and create barriers in implementation of public sector accounting (Nagirikandalage and

Binsardi, 2015; Bietenhader and Bergmann, 2010). Additionally, low institutional capacity, limited involvement of stakeholders, high corruption levels and high level of informality are the few characteristics of public sector organizations in developing economies which influence the decision-making, control and accountability (Putu, Mimba, Helden and Tillema, 2007)

### The Indian Context


India, being an emerging economy, needs to strengthen its public accounting framework to strengthen the governance mechanisms. An improved public sector financial reporting system would assist the government run organizations to address the macro-economic problems like poverty, resource allocation, distribution etc. this will also make the government organizations more accountable and responsible for their actions.

Indian public accounting system has been 'cash based accounting' system for long. It provides the government the advantage to focus on its financing constraints. The current public accounting system suffers from many limitations like, it fails to relate the income and expenditure with the time period; ignores non-monetary flows; difficult in ascertaining per unit costs of the services provided by governments; recognizes advance taxes as income; inappropriate assessment of market value of the assets etc.

The Twelfth Finance Commission made recommendations for moving to accrual based accounting system in government accounts, and the thirteenth finance commission also endorsed the same. The Government as a response to the acceptance of the recommendation constituted Government Accounting Standards Advisory Board (GASAB) in 2002.

GASAB functions as a standard-setting body functioning in the office of the Comptroller and Auditor General of India. "The mission of the Government Accounting Standards Advisory Board (GASAB) is to formulate and recommend Indian Government Accounting Standards (IGASs) and Indian Government Financial Reporting Standards (IGFRSs) with a view to improving standards of Governmental accounting and financial reporting which will enhance the quality of decision making and public accountability." The board has also framed a roadmap for transitioning the economy from the cash based system to the accrual based system. The time frame towards a complete accrual based accounting system varies from country to country, but the transition must consist of different stages (Khan and Mayes, 2009). While transitioning from cash based accounting system to accrual based one, governments must ensure that the current state of the system is strong, political support for the transition period is in place, an efficient technical and professional support has been developed and a modern government financial management information system is operative.

## Conclusion

India, as a developing nation, has already established itself in the field of accounting and is in the transitioning towards the global accounting practices from the local ones. Under the given set of variations across economic and political subsystems of the states within the country, it still has a long way to go. 

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# Benevolent fund

FOR THE MEMBERS OF THE INSTITUTE  
CMA Bhawan, 12 Sudder Street, Kolkata - 700016

## FOR ATTENTION OF THE MEMBERS

The Institute is maintaining Benevolent Fund for the Members (MBF) of the Institute to provide assistance to the members of the Fund in case of financial help to the beneficiary or to the dependants in case of death of beneficiary. Members whose names continue to exist in the Register of Members of the Institute can apply for Life Membership of the Fund.

### DETAILS OF BENEFITS AVAILABLE

- Outright grant not exceeding Rs. 3,00,000/- in each case to the beneficiary in the event of death of the member.

- Outright grant not exceeding Rs. 1,50,000/- in each case to the member and beneficiary for critical illness like cancer, heart/cerebral attack or any other disease having risk of life of the beneficiary to be duly certified by the doctor under whom the treatment is continuing.

- *Illness or Temporary loss of employment of member:*

- i) Expenses incurred in connection with temporary loss of employment or for marriage of daughter of a member during temporary loss of employment till the date of application should not be less than Rs. 5,000/- and not exceeding Rs. 15,000/- and further expenses are required to be incurred for the above mentioned purposes.

- ii) Assistance for the above purpose shall be limited to actual amount claimed or Rs. 10,000/- whichever is lower, in the event of the member is not providing surety and where surety is provided maximum assistance shall not exceed Rs. 15,000/-. Surety should be a member of the Institute having his upto date membership and other dues paid to the Institute and belonging to the Region in which the member resides and should provide valid and authentic documents required in support as a surety. Financial assistance not exceeding Rs. 7,500/- will be granted for education of a dependent son/daughter of a deceased member. This financial assistance shall be provided once for a member.

- *Illness of Spouse / Dependent Children of a member:*

- i) Expenses incurred till the date of application should not be less than Rs. 10,000/- and further expenses are required to be incurred.

- ii) The member should not be receiving medical reimbursement from his employer or reimbursement disallowed by the employer should exceed Rs. 10,000/-.

- iii) Application for assistance should be supported by a surety who should be a member of the Institute having his up-to-date membership and other dues paid to the Institute and belonging to the Region in which the member resides and should provide valid and authentic documents required in support as a surety.

- iv) The financial assistance is limited to actual amount claimed or Rs. 1,50,000/-, whichever is lower.

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For more information please visit the link given in <https://eicmai.in/external/Home.aspx#>

## INTERNATIONAL FINANCIAL REPORTING STANDARDS AND ETHICAL CONCERNS:

### THE INTEGRITY CHALLENGE MAGNIFIED



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#### *Abstract*

*Accounting, the way it was perceived in the earliest history was never conceived without ethics. Luca Pacioli, the father of accounting, complimented the subject with the accounting ethics that provided insight and marked the boundaries of a balanced judgment from an accountant's point of view. With the introduction of IFRSs, the accounting world was introduced to the transition from accounting to financial reporting. The paper aims at identifying the ethical considerations of this transition to IFRSs in light of the Indian set-up which is not used to such judgment based application of accounting standards.*

Ethics, derived from the Greek word 'ethos' is defined as a set of moral principles, especially ones relating to or affirming a specified group, field or form of conduct. Ethics has always been linked with what is right for an individual as well as the society that those individuals form, i.e. it has always highlighted the greater good. Human existence has always been guarded by a code of conduct. The fear of 'unknown' allowed strict adherence to these moral values in ancient times when ethics was formidably linked with religion. In early times, the concept of ethics started as a code of conduct, then graduated to customs, taken further by and as religion and ultimately culminated in the concept of law and justice.

With sophistication of human civilization, the transactions grew from mere exchanges to a business. Businesses developed and hence developed the system of accounting. This led to recording of transactions which then graduated to profit calculation and business reporting that demanded a sense of uniformity so that similar things could be deciphered in the same light. Luca Pacioli, in his earliest book, advocated a moral and social role for accounting, businesses and their associated public interests. Coate (2018) also highlighted that businesses were beyond mere book-keeping and profitability displays.

With the advancement of human civilization and scientific expansion, humans developed the ability to think logically and challenge the age old customs that

were delivered to them as directives through family values, practices in a culture or customary practices that were age old and qualified to be family heirlooms in business cultures and circles. This logical approach allowed a greater understanding of nature, its divine energy, creation and devastative powers, hence, started eroding the fear of 'unknown'. This erosion magnified ethical concerns and practices as the involved practices no longer had the religious validation and attention given to them. Moreover, this erosion while separating ethics from religion gave it a more casual outlook and took away the associated religious sanctity. Ethics soon degraded to a moral judgment based question and humans decided to do the math of good versus evil, all by themselves. Religion could no longer offer the due assistance. This separation of religion from ethics created a mess that we are fighting to this date- the lack of ethos and the concept of greater good among businesses and beyond.

Without the element of ethics, businesses would be reduced to units that earn for themselves, prey upon the non-monetary contributions of the other elements of the society and act in a manner that is only conducive to their own personal interests: minimizing profits, avoiding taxes and manipulations to paint a better picture, overshadowing the reporting process and its creditability. While majority of these concerns are now taken care of by prevalent laws and the demands of the financial reporting framework, what needs to be governed and monitored is the ethics



applied in accounting, called accounting ethics. Accounting ethics was born as a part of professional ethics and being a branch of applied ethics, involves application of moral values and judgments to accounting sensibilities, making it difficult to both understand and implement. Accountants must have a code of ethics to follow which defines their working sensibilities and allows them to conduct themselves professionally. Professional ethics is recognized as a science which deals with the study of professionals in meeting the obligations and rights of their professional activities (Valentin, 2010). The only way in which a professional can ensure this was by interpreting the public good in the broadest context. Also, only self-discipline can ensure strict adherence to this ethical code. The fundamental principle here is that a professional accountant's responsibility is not exclusively limited to satisfying the needs of an individual client or employer, he should rather act in public interest.

### **International Financial Reporting Standards and the Associated Ethical Concerns**

Accounting standards have served as guidelines for accounting procedures as well as reporting by way of disclosure requirements. They were aimed at regulating the accounting profession and keep it away from the attractive art of misinforming to display better results on paper. IFRSs are principle-based standards that are based on understandability, relevance, materiality, reliability and comparability. The guiding light of these principles as against the old rule-based processing of accounting standards opened a huge arena for the art of interpretation, application as well as intention, and accounting plus the corporate reporting sensibility. As propounded by the various scholars, IFRSs have less specific rules and attempt to provide more general guidance, relying on management and auditors to interpret the principles and work within the general guidelines. Thus, what was involved with IFRSs was a lot of judgment and flexibility which could easily be the 'black-hole' for ethics and moral irresponsibility. Hence, an accountant has to ensure that each piece of information is presented in a manner that is more carefully worked around its representational effectiveness as financial information. This is a delicate balance and can never be achieved without a keen sense of integrity, objectivity and the ability to choose economic substance over legal form or the prevalent 'true and fair' view.

IFRS and hence Ind-AS use fair value basis for a variety of measurements in the financial statements. This is set to introduce a lot of changes in the balance sheet figures and hence introduce a lot of subjectivity too. These changes shall be reflected in the balance sheet and will be routed

through P&L a/c. Barth et al (2018) analysed the financial data in respect of its quality and evidenced that IFRS evidence less earnings, timely loss recognition which shall impact the profitability. Any negative impact on profitability becomes an ethical concern here as accountants are bound to be prone to manipulative accounting to retain the growth (KPMG India Fraud Survey Report, 2010). The changes in accounting rules (due to newer concepts) and otherwise, is expected to lead to changes in accounting figures and financial ratios (Lantto, 2009). The various debacles like Enron have time and again given solid backing to the belief that the financial results have always been the more sought after aspect of transaction recording, processing and presentation as opposed to the standards and their guidelines-whether in India or internationally. It would be appropriate to highlight the same with the KPMG India Fraud Survey Report (2010) which reported that 63% of the respondents thought that the desire to meet or exceed market expectation was the most significant reason to commit financial statement fraud. It is easy to anticipate higher moral conflicts in these times of transformation as earlier (2010 or before), the accounting standards followed were more directive and less discretionary but with IFRSs and their Indian counterparts evolving in the name of Ind-AS, this problem is all set to become trickier. This battle generally boils down to principle-based thinking (on fair value background) vis-a-vis the company and its expectation of flamboyant results. The two pressures are very difficult to resolve and this walk is going to get more and more precarious with the evolution and increased acceptance of principle-based (directive) standards. Moreover, this sea- change from historical cost basis is going to be far more intimidating than challenging in respect of the integrity and ethical judgments involved. It is clear from the above discussion that in spite of existence of laws and norms, ethics are solicited because the laws come into play only after an act has occurred and regulations do not instill their adherence into the users. Hence, ethics are expected to be preventive and the ones that keep the wrong from happening (Airaksinen, 1998).

IFRSs require a shift to a more principle based approach, and call for a greater reliance on management (and auditor) judgment and lead to a variety of changes in the daily accounting practices (Elena et al, 2009). This greater reliance on judgment and estimates is again a gray area for ethical concerns. Creative accounting poses a formidable challenge to accounting. This is a global concern and exists in the form of choices available in case of accounting policies as well as handling of transactions and their impacts. Creative accounting also becomes a

great ethical threat on account of the abuse possible in the wake of choices involved in accounting practices and transaction handling. The accountants have the ability to manipulate the figures reported and can report financial results that do not give out the correct substance of the activities of a business. Naser (1993) identified that such manipulations can be achieved by using the gaps in rules and flexibility available in measurement practices. Also, that the transactions can be structured to cause production of desired accounting results. This is heightened in case of IFRSs as they are subject to wide understanding and interpretation at this stage. In light of Mele (2005, pp.97-109), the ethical behavior of an accountant depends on:

**a. Moral sensitivity:** identification and comprehension of the ethical dimension and balancing them with emotions, sensibility and sentiments.

**b. Moral judgment:** the ability to decipher ethical good vs. bad in light of objectivity, insight and practical wisdom.

**c. Moral motivation:** the willingness to follow what is ethical and ensure that ethical choices are upheld.

**d. Moral virtues:** special emphasis on integrity, understanding of the greater good and the ability to do what is right against what could be more rewarding, satisfying or easier.

Hence, an accountant will be incomplete without ethical virtues and it is imperative to link ethical values and virtues with the prevalent laws as well as a detailed code of conduct. Also, the financial statements should be so detailed and reporting oriented that the collusive factors end up being self highlighted, along with a robust accounting system that strengthens fair accounting and reporting practices.

## Conclusion

IFRSs would take away the faith placed on rules laid by earlier accounting standards and seek more professional judgment to apply general principles to specific situations. Also, IFRSs or their derivatives have profit disturbing and balance sheet altering abilities. This is set to lead to greater ethical concerns as the management shall forever be willing to display the financial results as favourable. Also, accounting ethics cannot be practiced in absence of immaculate professional understanding and knowledge. Accounting ethics is beyond compliance with the laws and regulations and extends to adhering to and understanding the underlying idea and concept of transactions and accounting thereof. Along with the knowledge of good vs. evil, an accountant also has to worry about the underlying idea of the governing IFRSs. Also, the negative pressures

on an accountant get multiplied on account of IFRSs being balance sheet altering and impacting factor. Moreover, as opposed to the rules under accounting standards, IFRSs provide guidelines which get murkier as the circumstances vary. The interpretation of new accounting principles, in absence of enough practical knowledge and practice with respect to IFRSs, shall prove to be a big challenge. The flexibility of interpretation inherent in the application of a principle-based system like IFRSs is highly likely to allow the possibility of differing financial presentations of a similar fact circumstance- sadly doing away with the comparability and uniformity agenda of IFRSs. Hence, nothing but a strong sense of Ethics and great professional judgment can ensure fair practices as well as sustenance of the IFRSs. MA

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## WORKING CAPITAL MANAGEMENT PRACTICES IN PUBLIC SECTOR UNDERTAKINGS -

### A STUDY ON OIL INDIA LIMITED



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#### *Abstract*

*Working capital analysis covers a wide area and has practical importance. Considering the importance of working capital analysis, present research work titled "Working Capital Management Practices in PSUs – A Study on Oil India Limited" has been carried out. The data required for this study have been extracted from the annual reports of Oil India Limited. In this study various ratios are used to measure the liquidity and profitability of the company. The data has been analysed through appropriate statistical tools; interpretation of data is based on tabulation and analysis. The hypotheses are tested with the help of regression analysis. Further, for the purpose of establishing relationships between liquidity ratio and profitability ratio, correlation analysis has been applied.*

Working Capital plays a very significant role in business. It acts as a lubricant to run the wheels of fixed assets. Its effective provision and utilization can lead to success of the business while its ineffective management leads to heavy losses and ultimate downfall of the organization (Deb, Dey and Shil, 2017). In short, the success and efficiency of business organization depends fundamentally on its ability to manage its working capital and that is why Working Capital Management holds a very important place in firm's overall financial management (Chadamiya and Menapara, 2013).

#### **Importance of the Study**

Working capital analysis covers a wide area and has practical importance. Considering the importance of working capital analysis, present research work titled "Working Capital Management Practices in PSUs – A Study on Oil India Limited" has been carried out. Through working capital analysis, strengths and weaknesses of this corporation can be identified and at the same time, it helps in judging the liquidity position and the potential growth of the corporation. Composition of working capital such as gross working capital and net working capital can also be

identified through working capital analysis. It also helps in finding out whether this corporation has adequate funds for the procurement of raw materials, whether the corporations are able to manage day to day expenses or other indirect expenses.

### Review of Literature

Many researchers have studied working capital from different point of views. The following study is very interesting and useful for this research:

Gaythri (2015) remarked in his studies that the review of literature guides the researcher for getting better understanding of methodology used, limitations of the study and clear interpretation and reconciliation of the conflicting results. A review of existing literature is important in order to develop an approach that can be employed in future research.

Nag and Arickal (2016) found in their studies that Indian Oil Corporation Limited should try to reduce its current liabilities for the betterment of short term solvency. The Indian Oil Corporation Limited should also try to improve their cash position by taking short term loans or through bank overdraft for making the payments of day to day expenses and other current obligations.

Parmar (2017) conducted a research on the impact of working capital management on profitability of selected oil refineries of India and found that RIL and IOC has scope to increase its liquidity by managing the working capital more efficiently and other element of it.

Hassan et al. (2017) observed that efficient management of working capital is an important tool for achieving organizational profitability. The purpose of the study was to test the performance of working capital management for measuring firm's profitability. Findings of the study support the work of prior researches. This study indicated that ROA is a poor indicator of firm's profitability; moreover gross operating income is a better explanatory measure for organizational performance.

### Objectives of the Study

1. To examine the composition of working capital of Oil India Limited.
2. To analyze the working capital management practices of Oil India Limited.

### Hypothesis of the Study

For the purpose of the present study, one main null hypothesis is formulated. Further, the sub-hypotheses are developed and tested in order to know the significant difference between independent and dependent variable.

### Collection of Data and Methodology

This study is based on secondary data. The data required for this study have been extracted from the annual reports of Oil India Limited. The study covered a period of five years starting from 2013–2014 to 2017–2018. Besides, secondary data has also been collected from various source viz., books, journals, websites etc.

In this study various ratios like current ratio, quick ratio, cash turnover ratio, receivables turnover ratio, inventory turnover ratio, working capital turnover ratio and return on assets are used to measure the liquidity and profitability of the corporation.

The data has been analysed through appropriate statistical tools; interpretation of data is based on tabulation and analysis. Statistical methods have been used for data analysis, viz., arithmetic mean, standard deviation and co-efficient of variation. The hypotheses are tested with the help of regression analysis. Further, for the purpose of establishing relationships between liquidity ratios and profitability ratio, correlation analysis has been applied. All the statistical computations have been done by SPSS 21.0.

### Limitations of the Study

As the study is mainly based on secondary data; proper care has been taken to know the limitations of the study which are as follows:

- (i) The working capital position of the corporation is shown just for the last five years. Hence, any uneven trend before or beyond the study period are the limitations of the study.
- (ii) This analysis is based on only monetary information and non-monetary factors are ignored.
- (iii) The research study is based on secondary data only.
- (iv) The study is limited to only one sector i.e. Oil India Limited.

### Working Capital Analysis

Table 1 exhibits that overall gross working capital has



increased from Rs. 8115.93 crores in 2017-18 to Rs. 15463.7 crores in 2013-14 which is also highest in 2013-14. Gross working capital includes inventory, debtors, cash and other current assets. This table shows that cash had become one of the major components in gross working capital. Inventory and Debtors are the second and third contributors to gross working capital respectively.

Considering total current liabilities it has been observed that it is high in the year 2013-14 with Rs. 11082.30 crores and low in the year 2015-16 with Rs. 2260.12 crores. Net working capital has an average of Rs. 7973.47 crores. Overall it has positive net working capital. Net working capital is the lowest in the year 2017-18 with Rs. 3739.78 crores and highest in the year 2015-16 with Rs. 12024.35 crores.

**Table 1: Composition of Working Capital (Rs. in Crore)**

Years	Inventory	Debtors	Cash	Other Current Assets	Gross Working Capital	Current Liabilities	Net Working Capital
2013-14	984.66	480.86	11660.11	2338.1	<b>15463.7</b>	11082.30	<b>4381.43</b>
2014-15	1024.24	2377.49	9217.64	1917.17	<b>14536.5</b>	3268.33	<b>11268.21</b>
2015-16	1001.58	1325.20	9908.16	2049.53	<b>14284.5</b>	2260.12	<b>12024.35</b>
2016-17	1096.47	1005.55	6542.32	3114.4	<b>11758.7</b>	3305.15	<b>8453.59</b>
2017-18	1078.26	1407.76	3092.57	2537.34	<b>8115.93</b>	4376.15	<b>3739.78</b>
<b>Average</b>	<b>1037.04</b>	<b>1319.37</b>	<b>8084.16</b>	<b>2391.31</b>	<b>12831.88</b>	<b>4858.41</b>	<b>7973.47</b>

Source: Annual Reports of Oil India Limited

It has been observed from the Table 2 that both current and quick ratio is fluctuating during the study period and average CR (3.52) and QR (3.23) show ideal position as more liquid funds (shown in Table 1) is available to pay off its current obligation in time. The average cash turnover ratio of the corporation is 53.58 with C.V. 22.68%. The cash turnover ratio is the highest (72.96) in 2014-15 while lowest (39.49) in 2013-14 which indicates the increase of the efficiency of the corporation in 2014-15 that reflects in faster regular replenishment of corporation's receivables with cash, generated through sales.

The mean of RTR of the corporation is 9.79 with C.V. 62.51%. When comparison is done among five study

period, it has been observed that RTR is the highest (20.20) in 2013-14 while lowest (4.20) in 2014-15 which indicates corporation's collection of accounts receivable is efficient in 2013-14 and to put it another way, it can be said that corporation receives its cash from its debtors in due time. The mean of WCTR of the corporation is 1.58 with C.V. 57.59%.

Return on assets depicts the fluctuating trend that is not good indication for corporation to show the efficient use of capital in raising the profit and ROA of the corporation is the highest (7.88%) in 2013-14 while lowest (3.12%) in 2016-17 during study period.

**Table 2: Liquidity Ratios and Profitability Ratios**

Years	CR	QR	CTR	ITR	RTR	WCTR	ROA (%)
<b>2013-14</b>	1.40	1.31	39.49	9.87	20.20	2.22	7.88
<b>2014-15</b>	4.45	4.13	72.96	9.74	4.20	0.89	6.45
<b>2015-16</b>	6.32	5.88	53.34	9.87	7.46	0.82	4.52
<b>2016-17</b>	3.56	3.23	49.80	8.72	9.51	1.13	3.12
<b>2017-18</b>	1.85	1.61	52.32	9.92	7.60	2.86	5.62
<b>A. M.</b>	3.52	3.23	53.58	9.62	9.79	1.58	5.52
<b>S.D.</b>	2.00	1.88	12.15	0.51	6.12	0.91	1.82
<b>C. V. (%)</b>	56.82	58.20	22.68	5.30	62.51	57.59	32.97

Source: Annual Reports of Oil India Limited from 2013-14 to 2017-18

Table 3 reveals that current ratio of Oil India Limited is highly correlated with positive relation with quick ratio (0.92) as less stocks are tied with current assets and highly correlated with negative relation with working capital turnover ratio (-0.86). Moreover, this ratio has very low negative relation with inventory turnover ratio (-0.06).

Table 3 also depicts that cash turnover ratio is highly correlated with negative relation with receivables turnover ratio (-0.84) and very low negative relation with return on assets (-0.07). Finally it has been found that receivables turnover ratio is moderately correlated with positive relation with working capital turnover ratio (0.43) and return on assets (0.50).

**Table 3: Correlation Results**

	CR	QR	CTR	ITR	RTR	WCTR	ROA
CR	1.00						
QR	0.92	1.00					
CTR	0.51	0.50	1.00				
ITR	-0.06	-0.05	0.07	1.00			
RTR	-0.62	-0.60	-0.84	0.08	1.00		
WCTR	-0.86	-0.87	-0.50	0.36	0.43	1.00	
ROA	-0.50	-0.48	-0.07	0.71	0.50	0.43	1.00

## Regression Analysis

Regression analysis is used to estimate the causal relationship between profitability and the other chosen independent variables. In this study, CR, QR, CTR, ITR, RTR, WCTR are independent variables and ROA is dependent variable.

**H<sub>01</sub>:** There is no significant difference between Working Capital Management and Return on Assets.

**H<sub>01</sub>:** There is no significant difference between Current Ratio and Return on Assets.

**Table 4: Relation between CR and ROA**

Model	R	R <sup>2</sup>	F-Value	T-Value	Sig.
CR	.496	.246	.977	-.988	0.396

The above regression table shows that there is negative relation between CR and ROA. Since value of t-test = -.988 with significance value 0.396 which is greater than 5% level of significance (0.05) then null hypothesis is accepted. Thus, it shows that there is no significance difference between CR and ROA. Further, R<sup>2</sup> shows that there is 25% dependency of CR on the ROA.

**H<sub>01</sub>:** There is no significant difference between Quick Ratio and Return on Assets.

**Table 5: Relation between QR and ROA**

Model	R	R <sup>2</sup>	F-Value	T-Value	Sig. Value
QR	.476	.227	.879	-.938	0.418

The above regression table shows that there is negative relation between QR and ROA. Since value of t-test = -.938 with significance value 0.418 which is greater than 5% level of significance (0.05) so null hypothesis is accepted. Thus, it exhibits that there is no significance difference between QR and ROA. Moreover, R<sup>2</sup> shows that there is 23% dependency of QR on the ROA.

**H<sub>01</sub>:** There is no significant difference between Cash Turnover Ratio and Return on Assets.

**Table 6: Relation between CTR and ROA**

Model	R	R <sup>2</sup>	F-Value	T-Value	Sig. Value
CTR	.068	.005	.014	-.119	0.03

The above regression table shows that there is negative relation between CTR and ROA. Since value of t-test = -.119 with significance value 0.03 which is less than 5% level of significance (0.05) so null hypothesis is rejected. Thus, it shows that there is significant difference between CTR and ROA.

**H<sub>01</sub>:** There is no significant difference between Inventory Turnover Ratio and Return on Assets.

**Table 7: Relation between ITR and ROA**

Model	R	R <sup>2</sup>	F-Value	T-Value	Sig. Value
ITR	.713	.508	3.104	1.762	0.176

The above regression table shows that there is positive relation between ITR and ROA. Since value of t-test = 1.762

with significance value 0.176 which is greater than 5% level of significance (0.05) so null hypothesis is accepted. Thus, it displays that there is no significance difference between ITR and ROA. R2 shows that there is 51% dependency of ITR on the ROA.

**H<sub>0</sub>1<sub>5</sub>:** There is no significant difference between Receivables Turnover Ratio and Return on Assets.

**Table 8: Relation between RTR and ROA**

Model	R	R <sup>2</sup>	F-Value	T-Value	Sig. Value
RTR	.498	.248	.989	.994	0.026

The above regression table shows that there is positive relation between RTR and ROA. Since value of t-test = .994 with significance value 0.026 which is less than 5% level of significance (0.05) so null hypothesis is rejected. Thus, it can be concluded that there is significance difference between RTR and ROA. Further, R2 shows that there is 25% dependency of RTR on the ROA.

**H<sub>0</sub>1<sub>6</sub>:** There is no significant difference between Working Capital Turnover Ratio and Return on Assets.

**Table 9: Relation between WCTR and ROA**

Model	R	R <sup>2</sup>	F-Value	T-Value	Sig. Value
WCTR	.429	.184	.678	.824	0.470

The above regression table shows that there is positive relation between WCTR and ROA. The P value (.470) is greater than significance level (0.05). So, we accept the null hypothesis and reject the alternative hypothesis. Thus, there is no significant relationship between WCTR and ROA and R2 shows that there is 18% dependency of WCTR on the ROA.

## Conclusion

Working capital plays a vital role in the corporation's operations and it is necessary for a corporation to monitor its working capital properly and maintain its balance at appropriate level. So maintaining efficient level of working capital is very important not only for oil India limited but for all other sector as well. However, when gross working capital is considered it has been observed in the study period that amount of cash is more which may be idle cash but it can be utilized in favourable market opportunities and at the same time, the corporation should improve the composition of the current assets like inventories, debtors, loans and advances, cash and bank balances and other current assets. From this study it is concluded that betterment of short term solvency, corporation should try to reduce its

current liabilities as the amount of current liabilities is more in the study period. **MA**

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## THE ROLE OF PANCHAYATI RAJ INSTITUTIONS' ACCOUNTING AND REPORTING IN BUILDING PUBLIC CONFIDENCE AND LEGITIMACY-

### AN EMPIRICAL STUDY

#### Abstract

*"Indian independence must begin at the rural place. Every village should be a republic or a Panchayat having full powers"*

*-Mahatma Gandhi*

*The strength and success of panchayat raj institutions mainly depend on the reliability and accuracy of its financial administration. Financial administration is the backbone of the panchayat institutions. It is a fact that success or otherwise depends mainly this variables, finance and financial administration with transparency. Hence, ever since the inception local government reform, whether it is fiscal administration, resource mobilization, revenue and expenditure planning, budgeting and auditing and accounting transparency residing a significant place.*

*Financial management is concerned with the proper management of the funds of the related institutions or organization. This present research is to explore the perception of panchayat officials against budget preparation and maintenance of accounts ie., books of account, registrars and records. The study also details about the efficiency in managing budgeting and auditing activities in Gram panchayats, Taluk panchayats and Zilla panchayat with respect to shivamogga district. The study concludes through offering appropriate strategy need to draw through policies for both governments as well as to panchayat's officials to improve the performance of institutions to fulfill the need of rural mass.*



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## 1: INTRODUCTION:

Panchayat Raj institutions have been assigned civic, developmental and welfare functions. For the effective discharge of these functions Panchayat intuitions must be provided with matching finance. The funding of local government bodies like Panchayat Raj institutions is determined by a number of ecological factors, such factors as their structure, size and level of local units, functions accorded to these units and the extent and mechanism of governmental control determine the quantum of financial assistance. In a way, all these factors have symbiotic relations with Panchayat finance in determining the effectiveness of their functions. The subsequent discussion in this chapter will deal with various conceptual dimensions of Panchayat finances like mobilization of resources, pattern of expenditure, budgeting and accounting and accountability. Budgeting is an important element in the financial process an organization. Budget is an administrative necessity as well a legal obligation under the panchayat Act. Auditing is another facet of financial administration which conducts post-mortem study of the financial transactions of an organization.

## 2: LITRATURE REVIEW:

**2.1: Alok K Bhaumik (2000)** has revealed a report of international conference and discussed that the conference was organized in order to review the finances of the local bodies in accordance with the functional responsibilities which include the preparation of plans for economic development and social justice and to fix the size of the divisible pool taking into account the functional domain of the state, on one hand, and that of the PRIs and urban local bodies (ULBs), on the other. Further it was discussed that Increasing PRIs' capability to raise non-tax revenue can also ensure greater autonomy. Sometimes it helps to reduce the tax burden without compromising on fiscal autonomy.

**2.2: Study in Sikkim by Bernard Dafflon (2009)** on local planning and budgeting to strengthen the Gram Pancayats. The study undertaken with view of village development planning GP level, in which preparing the development project proposals, submission of the annual plan to by GP to ZP and ZP to state government, Implementation of development projects and Preparation of Budget and maintains of accounts in all tires. The author was in the view that to identify the problem at the different stage from planning to controlling and involvement of elected and non-elected members, while mainly to find problem of overlapping of monitoring and controlling bodies and suggested there is technical feasibility in 'ALL' responsibilities to increase accountability.

**2.3: Uday bhanu bhattacharya (2009)** stated in his article on the new insertion in Panchayat raj system in West Bengal is main factor of this article. The author emphasized on District Council (DC) as a new system in PRI's in WB, as a body of model on Public Accounts Committee (PAC) and it has statutory power in examining the accounts related operations in PRI's. The study manly focused on performance of PAC in WB PRI's selected district councils and suggested on the set up of job structure and chart to run functions in office efficiently and effectively to provide meaning full operations in District Council.

**2.4: Khushboo Chauhan (2013)** opine that rural development programmes can be achieved only if the execution and monitoring can be done in more effective manner, which is possible only thorough the use of Information Communication Technology (ICT). This paper brought the issues and challenges being faced by the state government, the Panchayat Raj Institutions and rural population in participating and governing through these e-tools of governance. The author found that e-governance contributions in transparency of PRIs making governments and citizens closer together by eliminating various levels involved in providing services and information and improving the delivery and quality.

**2.5: Anadi Biswas (2010),** attempted to study on Financial administration in Panchayt Raj Institutions. It throws a light on problems in different levels in Panchayat Samiti's inflow and outflow of funds. It also covered general problems other an Accounting and Finance. The another suggestion he has given to Panchayat system to increase own funds in Panchayat Institutions by potential drives like, realizing the accrued tax, income from fisheries, fruits cultivation, establishment of small and cottage industries and mechanism for sound financial control with separations of duties, functions, authorities and responsibilities of each officers in Panchayat Raj Institutions.

## 3: Objectives Of The Studie:

The study tries to analyze the performance of panchayats in budget activities. The main purpose is to examine whether or not effective involvement of officials in budget preparation and to what extent its overall goal is being realized while identifying need of the rural mass in the preparation of budget. The study also details the bottlenecks in panchayat audit and accounts with respect to maintenance of books of accounts and internal auditing that would be related to the government for remedial action and suggesting corrective policy measures.

## 4: HYPOTHESIS:

**4.1: H<sub>1</sub>:** There is a significant deviation among different levels of PRIs in terms of budgeting activities.

**4.2: H<sub>2</sub>:** There is a significant deviation among different levels of PRIs in terms of maintenance of records and registers.

**4.3: H<sub>3</sub>:** There is a significant deviation among different levels of PRIs with respect to Internal Auditing activities.

## 5: Research Methodology:

The present research explores the adoption of remedial measures in Panchayath Raj institutions in order to improve the efficiency and effectiveness in the performance of Panchayats with reference to preparation of budgeting and maintenance of accounts and auditing. The data obtained by the selected Gram Panchayats, Taluk Panchayats and Zilla Panchayat in shivamogga district. The research is pursued on exploratory research design. The size of respondents are 100 from 28 gram panchayats, 7 taluk panchayats and 1 zilla panchayat based on average pro-rata basis. A designed questionnaire has been administered to Panchayats officials who involve in budget preparation and maintenance of accounts for the purpose to gather accurate responses from respondents. To test the hypothesis the present study used ANOVA and Tukey's HSD (post hoc). The study also used tools like Tabular method to interpret the data systematically and draw the meaningful conclusion.

## 6: Analysis And Discussion:

**Table 6.1: Classification of Respondents based on their Designation**

Designation	Frequency	%age to total number of respondents
CEO	1	1.0
CAO	1	1.0
Chief Administrator	1	1.0
Planning Officer	1	1.0
Development Officer	1	1.0
EO	7	7.0
Project Manager	1	1.0
Asst. Accounts Officer	8	8.0
Dist. Social Audit officer	1	1.0
Manager	8	8.0
PDO	27	27.0
Secretary	27	27.0
FDA	16	16.0
Total	100	100.0

Period of association with their office		
Length of Association	Frequency	%age to total number of respondents
1 to 5 years	67	67
5 to 10 years	26	26
10 and above years	7	7
Total	100	100
Level of association with their office		
Level of Association	Frequency	%age to total number of respondents
Very Active	32	32
Active	67	67
Not so active	1	1
Total	100	100

*Source: Primary data*

From the above table, it is clear that among 100 sample respondent officials 27 respondents are PDO's, 27 respondents are secretary, and 7 respondents are EO, 8 respondents are Managers, 8 respondents are Assistant Account Officer and 16 respondents are FDA. Remaining official categories like project manager, CEO, CAO, Development officer, planning officer, Chief administrator, and District Social audit officers are also included in the respondent groups but only 1 respondent in each category. Hence it can be concluded that majority of the respondents officials included in the sample are PDOs and Secretaries, due to sample taken for the study was 28 Gram Panchayats hence, PDOs and Secretary constituted around 27 in each categories. In case of Bejavanalli gram panchayat secretary is deputed from Tudur gram panchayat and Kanchinkatte gram panchayat PDO is deputed from Bidere gram panchayat, Due to improper human resource practices in PRIs.

In case of period of association of officials in panchayat's, it can be clear that among 100 respondent officials 34 respondent's length of service is 1 to 3 years, 26 respondent's length of service is 5 to 10 years, 25 respondent's length of service is 3 to 5 years, 8 respondents length of service is less than 1 year and only 7 respondents length of service is above 10 years. Hence it is concluded that majority of the respondent's length of service is 1 to 3 years.

It is obvious that from the above data, among 100 respondents, officials 67 respondents are actively associated with their service due to their pressure groups. 32 respondents said that they are very actively associated with their service and only 1 respondent opine that he is

inactive in his service because poor co-operation from panchayat president and members. Hence it can be concluded here that majority of the respondent officials are actively associated in their services.

## 7: Hypothesis Testing:

$H_0$ : There is no significant deviation among different levels of PRIs in terms of budgeting activities.

$H_1$ : There is a significant deviation among different levels of PRIs in terms of budgeting activities.

**Table 7.1: Budgeting Activities**

Budgeting Activities	GP	TP	ZP
Whether Budget estimate of Receipts and Expenditure prepared.	32.31	54.05	61.00
Whether the minimum actual cash balance of funds is maintained.	40.93	73.10	69.00
Whether the Budget estimates so prepared by Financial Audit and Planning committee approved.	42.78	77.62	77.60
Whether re-appropriation is done with the approval of Authority, who approval the original Budget.	50.65	80.48	81.60
Whether the budget estimate of Panchayat have been approved by State government.	35.37	76.67	81.80

Whether re-appropriation is done with the approval of the competent authority.	33.43	79.00	67.24
Whether time schedule of budget is adhered by ZP, TP and GP.	39.17	64.76	63.40

Source: primary data

The above table portrays the performance of budget activities in GPs, TPs and ZPs of Shivamogga district. Each individual budgeting activity is scored on a 100 point scale by the officials in three different cedars in which PRIs are working. 61 points scored by zilla panchayat in case of budget estimate of receipts and expenditure preparation, highest 73.10, 77.62, 79.00 and 64.76 points scored by taluk panchayats in maintain minimum actual cash balance of funds is maintained, financial audit and planning committee approval, re-appropriation is done with the approval of the competent authority, time schedule of budget is adhered by ZP, TP and GP. ZP has scored 81.60 and 81.80 in re-appropriation is done with the approval of Authority, who approval the original budget and budget estimate of Panchayat have been approved by State government. The average scores are considered in a view to analyze the mean deference among the GPs, TPs and ZP levels. For which one way ANOVA is been opted to test the significant difference among the same.

**Table 7.2: Sources of Variation**

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	4996.57	2	2498.29	36.34	0	3.55
Within Groups	1237.3	18	68.74			
Total	6233.88	20				

Source: primary data

The ANOVA table clearly states that Fobt is greater than the Fcand P-value is less than 5%. Hence it can be noted that null hypothesis is rejected at 5percent significance level. It states that there is significant difference among the means of GPs, TPs and ZP in their performance with respect to budgeting activities in Shivamogga PRIs. To test the significantly higher deviation, Tukey's HSD (post hoc) is used.

shows between which two levels of PRIs there exist a significant deviation.

MS Within	Q	Tukey HSD
68.74	3.62	11.34
Deviation between	TP	ZP
GP	33.01	32.43
TP		0.58

Source: primary data

**Table 7.3: Sources of Variation and Tukey's matrix**

## CASE STUDY

The above table shows which two levels have a higher degree of deviation. The cell in the Tukey's matrix having more than Tukey's HSD value is termed as having a significant deviation at significance level of 5%. The above table both TPs and ZP deviates significantly from GP (i.e. GP-TP > 11.34 and GP-ZP > 11.34). In comparison with the data table it is seen that GP performs considerably less when compared with TPs and ZP in Shivamoogga district. Hence, it is interpreted that GP in preparing and managing budget is poor compare to TP's and ZP. In panchayat raj system gram panchayat is more accessible to rural masses, with regards to need identification and implication of rural development schemes. Therefore, compare to taluk panchayat and zilla panchayat there is needed to strengthen gram panchayat budgeting activities.

$H_0$ : There is no significant deviation among different levels of PRIs in terms of maintenance of records and registers.

$H_1$ : There is a significant deviation among different levels of PRIs in terms of maintenance of records and registers.

**Table 7.4: Mean result of Maintenance of Records and register**

Maintenance of records and registers	GP	TP	ZP
Cash book	35.19	67.38	66.00
Proceedings book	38.33	76.19	76.00
Inspection book	42.78	71.05	88.24
Attendance register	38.48	79.76	80.20
Register of demand and collection of tax ,duty and fee	30.26	79.05	80.20
Application for land acquisition , if any	37.41	71.43	70.00

Register of fee and fine	58.98	70.71	70.00
Stock register of materials, if any	34.35	72.86	68.36
Work register ( work-in-progress register)	60.83	76.43	74.40
Register of muster roll	46.93	76.48	75.16
Register of immovable property	67.41	80.95	80.00
Register of receipt book	53.89	75.71	75.60
Dispatch register	52.15	77.52	78.28

Source: Primary data

The above table shows the performance of GPs, TPs and ZP with respect to maintenance of records and book keeping in the PRIs. Maintenance different registers and ledgers are individually scored on a 100 point scale corresponding to GPs, TPs and ZP. By the above table result taluk panchayats are keep track in maintaining cash book 67.38, proceedings book 76.19, application for land acquisition 71.43, register of fee and fine 70.71, stock register of materials 72.86, work register 76.43, register of muster roll 76.48 and register of immovable property 80.95. Zilla panchayat also scored highest in maintaining Inspection book 71.05, Attendance register 80.20, Register of demand and collection of tax, duty and fee 80.20, Register of immovable property 80.00 and Dispatch register 78.28. Taluk panchayats has scored more compare to Zilla panchayat however, Taluk panchayts are adhere on rules and regulations and prompt in maintaining records. As scored obtained by Gram Panchayats are very fewer compare to TPs and ZP. The intent is to check whether there is any aggregate difference among the three levels of PRI system. To serve the purpose one way ANOVA is been conducted and the results are as follows.

**Table 7.5: Result of one way ANOVA of Maintenance of records and register's in GPs, TPs, and ZP by officials of PRIs**

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	7485.14	2	3742.57	59.05	0	3.26
Within Groups	2281.65	36	63.38			
Total	9766.79	38				

Source: Primary data

The above table signifies the variance of data with respect to maintenance of records and registers of GPs, TPs and ZP. By observing ANOVA table above, it is evident that Fobtis greater than and P-value is less than 5%, hence it can be concluded that null hypothesis is rejected at 5percent of significance level. That is there exist a significant difference in practicing the book keeping activities between GPs, TPs and ZP. To test which combination of levels cater to higher variance Tukey's HSD is employed and results are given under.



**Table 7.6: Tkey's HSD test result and Tukey's matrix shows between which two levels of PRIs there exists a significant deviation**

MS Within	Q	Tukey HSD
63.38	3.46	7.64
	TP	ZP
GP	29.12	29.65
TP		0.53

Source: Primary data

The above tables, indicates the pair of levels having greater deviations in between them. Any cell in the Tukey's matrix having more than Tukey's HSD value is termed as having a significant deviation at significance level of 5%. The table read as there exist greater deviation between GP with TP and ZP (i.e. GP-TP > 11.34 and GP-ZP > 11.34). It reveals that GP's performance in maintaining records and ledgers is significantly different from TP and ZP. If the table presented above is observed, it is evident that scores are relatively less under GP when compared to TP and ZP. It clearly shows gram panchayats are not prompt in maintaining ledger and record books properly hence, there is strike committee has to form in managing accounts for implementing guidelines of accounting and also internal auditing has to strengthen to take care of it.

$H_0$ : There is no significant deviation among different levels of PRIs with respect to budgeting Internal Auditing activities.

$H_1$ : There is a significant deviation among different levels of PRIs with respect to Internal Auditing activities

**Table 7.7: Comprised mean of Auditing activities in PRIs**

Auditing	GP	TP	ZP
The last Audit of accounts was done by the competent authority of GP,TP and ZP	40.74	57.62	55.80

Auditing	GP	TP	ZP
The Audit report disposed with in stipulated time by the GP,TP and ZP	52.41	67.71	63.12
The progress report of pending objection has regularly been sent to the Director, Local Audit	41.57	62.86	44.00
The maintains of records of Audit report is being maintained by GP,TP and ZP	36.85	76.43	71.40
The Financial statement has been placed before GP,TP and ZP	57.41	80.48	86.00
The internal check of account has been operationalised	37.96	71.33	64.76
The final Audit report has been published in time	24.35	65.71	64.00

Source: Primary data

The above table, depicts the performance of accounts auditing activities in GPs, TPs and ZPs of Shivamogga district. Each individual auditing activity is scored on a 100 point scale by the officials in three different cedars in which PRIs are working. Taluk panchayats scored highest in the last audit of accounts was done by the competent authority of GP's, TP's and ZP 57.62, The audit report disposed with in stipulated time by the GP's, TP's and ZP 67.71, The progress report of pending objection has regularly been sent to the Director, Local Audit 62.86 and The maintains of records of audit report is being maintained by GP's, TP's and ZP 76.43. Zilla panchayat is scored maximum in case of financial statement has been placed before GP's, TP's and ZP 86.00. Gram panchayats are obtained least score compare to taluk and zilla panchayat, which shows least performance in the view of officials of gram, taluk and zilla panchayat. The average scores are considered in a view to analyze the mean deference among the GPs, TPs and ZP levels. For which one way ANOVA is been opted to test the significant difference among the same.

**Table 7.8: Result of One way ANOVA**

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2971.96	2	1485.98	12.86	0	3.55
Within Groups	2079.8	18	115.54			
Total	5051.76	20				

Source: Primary data

The above table signifies the variance of data with respect to maintenance of records and registers of GPs, TPs and ZP.

By observing ANOVA table above, it is evident that Fobt is greater than and P-value is less than 5%, hence it can be concluded that null hypothesis is rejected at 5percent of significance level. That is there exist a significant difference in practicing auditing activities between GPs, TP's and ZP. To test which combination of levels cater to higher variance Tukey's HSD is employed and results are given under.

**Table 7.9: Result of Turkey's HSD post hoc Test and Tukey's matrix shows between which two levels of PRIs there exist a significant deviation**

MS Within	q 5%	Tukey HSD
115.54	3.62	14.70
	TP	ZP
GP	27.26	22.54
TP		4.72

Source: Primary data

The above table indicates the pair of levels having greater deviations in between them. The cells in the Tukey's matrix having more than Tukey's HSD value is termed as having a significant deviation at significance level of 5%. The table read as there exist greater deviation between GP with TP and ZP (i.e. GP-TP > 11.34 and GP-ZP > 11.34). It says that GP's performance significantly different from TP's and ZP. If the table 6.40 is observed, it is evident that scores are relatively less under GP when compared to TP and ZP. Hence, based on above result it is interpreted that gram panchayat need to strengthen its internal accounts auditing committee and strict norms has to formulate to bring fairness in handling funds, before that accounting norms have to reframe in time. This problems faced by the gram panchayat due to deficiencies of qualified staffs for handling accounts. Hence, PRIs transactions are lacked in transparency and accountability of officials could not be guaranteed.

## 8: Findings:

1. From the analysis it is obvious that among 100 respondents, officials 67 respondents are actively associated with their service due to their pressure groups. 32 respondents say that they are very actively associated with their service and only 1 respondent opine that he is inactive in his service because poor co-operation from panchayat president and members.

2. Poor awareness of Budget preparation of officials replicates in sub-standard performance in budgeting activities by the grama panchyats. When the performance of GPs, TP's and ZP are relatively compared GPs scores the least and has a greater deviation relative to both TP's

and ZP.

3. From the study it is clear that, GPs personnel are the core analyst in understanding the needs of the beneficiaries and support the budgeting work to a maximum extent. But they are failing to do so when compared to TP's and ZP.

4. Similar to the budgeting activities GPs show relatively slacking performance in maintain records and book keeping activities too. No doubt GPs do handle illiterates and record keeping with respect to such people is difficult but still to have a better system, they have to streamline the record maintenance activity for the best possible extent.

5. As GP is the primary level and where the entire activities root from here, any deviations will have a cascading effect and wrong culminations are expected in the system as whole.

6. GPs performances with respect to auditing activities are also low when compared on same parameters with TP's and ZP in Shivamogga. Since the GP has issues in basic activities like budgeting and maintaining records/ book keeping, they are also lagging behind in auditing activities. This due to insufficient training in all the financial matters and lack of staff availability.

7. It is found in many GPs that single officer is indulged in multiple activities. So that, at the end accuracy in the activities is not found. In aggregate the resultant is not in satisfactory for GPs in Shivamogga.

## 9: Suggestions:

1. It is found that gram panchayats are having least performance in accordance with budgeting, maintaining record/ book keeping and auditing activities. It shows a greater deviation in terms of above said activities when compared to taluk panchayats and zilla panchayat level. To enhance the performance of gram panchayats officials there should be a robust technology infrastructure in recording the need of general public on an individual basis. This cannot be achieved by manual and hence computerized environment shall tend to use less labour. This may sound financially impractically in the initial stage but it reaps back the investment and reward in long run. Thus it will ease in analysing the various trends of need in the general public statistically and budgeting will have more accuracy. Since the need of input is computerized, execution and follow up activities will also not take much time and cost. Thus record keeping will be done vigorously. This shall also ease the auditing process with less time, cost, paper and physical efforts.

2. Finally if this kind of infrastructure is also provide with taluk panchayat and zilla panchayat also it is a matter of linking the computers to gram panchayats, taluk panchayats and zilla panchayat, so that day to day transactions are

transparent and speedy decision making is possible and all the financial problems can be eliminated to the extent of wasting time with the current procedures. It is also very much clear that all the human resource should have a higher degree of transformation in terms of technology which comes with high investment but no doubt it will lien the existing system and helps in higher accomplishments.

3. As per the study findings there is need for larger attention to Training of functionaries in regards Planning and Budgeting to State and Central Budget proposal and its heads of accounts with proper guidelines.

4. Official and members being the major pillars of PRI system are dropping in their performance. Hence as said above for officials, targets should be fixed and the performance should be assessed to attain the desired quality of both officials and members.


5. As per the central and state budget report the amount of fund flow to Panchayats has increased over the period. Given the fact that in some places a Panchayat Secretary and Project Development Officers (PDOs) are looking after more than one GP, there is an urgent need to address the issues of staffing. Therefore, staffing strength at GP level may be increased at the same time at least one Accounting clerk also need to provide with adequate training in accounts and budget management.

6. The additional platform shall be given in Panchatantra (accounting software) to record the individual need. So that higher version of Panchatantra will be able to set the targets to the GPs also very specifically on family basis at least. Similarly achievements so that linking the achievements with targets are made easy. This leads to have a better planning for the next period with less variance.

## 10: Conclusion:

Management of public funds in the mode of economic development is crucial task, when it comes to administration; managing people itself is a mammoth task. Such being the case, managing peoples' money needs a higher degree of accountability, fairness, clarity and precision with accuracy in terms of utilization of fund. Money is considered to be the blood for the body called economy. Money is used as a unit or yard stick in measuring human performances, activities and other resources in any administrative system. It is also a sword having edges of both the sides; hence handling of the same is very crucial in any administrative system.

Therefore the present study focused on providing strategic framework for panchayats to take remedial measures in certain areas like Officials are suffering from lack of autonomy in executing their work because of political interference. Relatively Zilla Panchyat is better in

terms of decision making when compared to the GPs and TPs. But in contrary, GP level decision making should be superior to assess and formulate schemes as it should severe as a major base for any decision making moving at higher levels in the PRI system. Not only in the means of financial autonomy in decision making but also in other key functional areas which would act as synergy for the development of rural mass through panchayat raj system in India. 

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## QUALITATIVE DATA ANALYSIS TECHNIQUES FOR THE NEW AGE MANAGEMENT ACCOUNTANTS



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### Abstract

*The new age Management Accountants (CMA) deal in a lot of data for decision making purposes, which can be both quantitative or qualitative in nature. Till recently, the qualitative data, i.e. words, text, pictures were hitherto analyzed manually as it was considered less significant than quantitative data. This article describes one of the popular software N Vivo to illustrate how such software help in data processing by undertaking a cluster analysis, word cloud or through the preparation of charts. The important point to note here is that the qualitative data assessment and the quantitative data analysis are not mutually exclusive and the new age CMA can contribute more to the success of their organization by being proficient in the use of both for decision making purposes.*

The new age Management Accountants (MA) deals in a lot of data. This data can be both quantitative and qualitative. The Management Accountants have taken up senior and significant positions in highly demanding and (sometimes highly controlled) firms in India where they are strategic decision makers, contributing to the competitive advantage of their firms by bringing data driven insights for the purpose of business innovation (2). They need to clean the data, organize it and finally process it to find meaningful concise information for decision making. Thus the new age management accountant's re-skill themselves to remain relevant as knowledge workers by engaging in continuous learning and professional networking (4).

The nature of data which the Management Accountants process has traditionally been quantitative. However nowadays the data may be quantitative or qualitative in nature. Quantitative in simple words means numbers and such data is easily processed with spreadsheets such as MS Excel by performing routine functions such as ratio analysis, vertical and horizontal analysis etc. In accounting subdomains such as forensic accounting and auditing, the Management Accountants may use advanced features such as "Fuzzy Look Up" in MS Excel. If, however the Management Accountants use Big Data then they need clear understanding to deal in voluminous data of different variety (5) for which specialized techniques are needed. The larger perspective here is that there is a regular need to reskill by being proficient in the use of software and other packages to make the most of the vast potential and the diverse opportunities

to contribute which the Management Accountants have in their roles. Internationally, it is not uncommon now to see that accountants can do coding in R, and those who have proficiency in R and Python are getting increasingly sought after by firms.

Till recently, the qualitative data, i.e. words, text, pictures were hitherto analyzed manually. This was to some extent a byproduct of the limitation of the traditional data processing tools which could only look at quantitative data which could be numerically analyzed. However, now there are tools and software's which can easily process qualitative data with a friendly user interface. This article describes one of the popular software NVivo (1) (a product of QSR International ;

<https://www.qsrinternational.com>) which can be used for the purpose of qualitative data analysis. In the market there are other similar software such as ATLASTi which have equally user friendly interface and can serve the same purpose. The choice is therefore with the professional to choose which software they find easier to use. Also, if one does not wish to subscribe for these software, then the qualitative analyses can be done by using the open access "Rplatform" programming which has some very useful packages as well.

To illustrate how these software help in data processing we can take a simple situation. If one needs to go through the annual report (generally a download in PDF format) of 5 major companies in a particular industry for the last 10 years then it would require the careful processing of 10,000



There are other useful features that these softwares offer. For instance, the N Vivo software does cluster analysis to find similar patterns in textual data, word frequency to find commonly occurring words and locational analysis to get a grip on the larger themes (3). A word cloud is given as an illustration below. The software can also be used to do a text search in voluminous data which can be followed by a sentiment analysis (6). Finally, the software can also produce various charts of different schemes and patterns as per requirement.

[illegible]

Illustration of locational analysis is presented in Figure 2 below.



## Conclusion:

As Indian businesses and Indian entrepreneur embrace new technologies such as mobile banking (7), big data (8), machine learning, artificial intelligence, there is a continuous need to reskill. The use of software is increasingly becoming popular of to assist in cost and financial research, strategic planning and for forecasting purposes. The important point to note here is that the qualitative data assessment and the quantitative data analysis are not mutually exclusive. Quite contrary to that, they complement each other and help in deriving meaningful conclusions by process data of all formats so that valuable insights are not lost in translation. The new age Management Accountant can contribute more to the success of their organization by being proficient in the use of software for processing both qualitative data and quantitative data. **MA**

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## INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED (IL&FS) - THE CRISIS AND CHALLENGES AHEAD



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### *Abstract*

*IL&FS, one of the most reputed Indian companies, highly rated by credit rating agencies and global presence, on September 17, 2018 intimated the default in payment of Commercial Paper which was due on September 14, 2018. Against this backdrop, the paper tries to explore the growth of IL&FS and crisis it faces in recent times.*

Infrastructure Leasing & Finance Services Limited (IL&FS) headquartered in Mumbai is considered to be the pioneer of Public Private Partnership (PPP) for infrastructure in India and a renowned infrastructure development and finance company. The organisation is dedicated towards developing India's infrastructure. IL&FS is actively engaged in various projects in different areas namely, highways, finance, flyovers, bridges, flyovers, housing, energy, technology, etc. IL&FS, not only had the first mover advantage in scripting India's infrastructure development but also the first Indian company to raise money from overseas investors.

IL&FS, one of the most reputed Indian companies, highly rated by credit rating agencies and global presence, on September 17, 2018 intimated the default in payment of Commercial Paper which was due on September 14, 2018. In response to the developments credit rating agency ICRA downgraded IL&FS's short term and long term borrowing programmes. The IL&FS default caused panic both for the investors and the markets. The markets found it difficult to come to terms with IL&FS's default as it was considered to be the best in class, highly rated. In fact IL&FS as of now is considering of reducing its operational cost by reducing the workforce by almost 65% across the group. The questions that many started asking were, is it another scam? Is IL&FS a sham company? The memories of scams and the resulting

crisis became fresh. Against this backdrop, the paper tries to explore the growth of IL&FS and crisis it faces in recent times. The paper also tries to understand the challenges faced by NBFCs as it unfolds with the recent crisis of IL&FS.

### **IL&FS – Inception and Growth**

It was in the year 1987 that IL&FS was founded. The organisation came in to existence with equity from Central Bank of India, Unit Trust of India and Housing Development Finance Corporation Limited (HDFC). The group companies of IL&FS are IL&FS Transportation Networks India Limited (ITNL) involved in developing highway, IL&FS Infra Asset Management Limited (IIAML) involved in direct private lending, IL&FS Energy Development Company Limited (IEDCL) involved in power generation and transmission, IL&FS Township & Urban Assets Limited (ITUAL) involved in providing affordable housing and development of new cities, IL&FS Investment Managers limited (IIML) involved in domestic private equity fund management companies, IL&FS Maritime Infrastructure Company Limited (IMICL) involved in maritime and logistics infrastructure development, IL&FS Financial Services Limited (IFIN) involved in infrastructure financing business and investment banking, IL&FS Securities Services Limited (ISSL) involved in F&O clearing, broker's broker and ESOP funding, IL&FS Capital Advisors limited involved in providing advisory services as per requirements

of their clients, IL&FS Technologies Limited (ITL), IL&FS Water Limited (IWL) involved in commercial development of the water and wastewater sector in India. The organisation has done some renowned projects in India.

The institutional shareholders of IL&FS includes Life Insurance Corporation of India (LIC) with 25.34 per cent shareholding, ORIX Corporation of Japan with 23.54 per cent shareholding, Abu Dhabi Investment Authority with 12.56 per cent shareholding, HDFC with 9.02 per cent shareholding, CBI (Central Bank of India) with 7.67 per cent shareholding and SBI (State Bank of India) with 6.42 per cent shareholding [<http://www.ilfsindia.com/about-us/group-profile/>].

### The Crisis

The Reserve Bank of India had given early warning signals towards the functioning of IL&FS in its annual inspection report for the year ended 2014-15 wherein it clearly mentioned that the net worth of the organisation has become negative. The RBI in its inspection report for 2015-16 reiterated the same. These reports and claims were rubbished by the top management of IL&FS although; the surplus in consolidated statement of profit and loss went down from Rs. 4403.96 million in 2014-2015 to Rs. 983.09 million in 2015-2016 (IL&FS Consolidated Financial Statements, FY 2016). On the contrary, it was observed that in the FY 2016 and FY 2017 IFIN had posted a net profit of Rs. 1928 million and Rs.2088 million, respectively. It also reported that provision for NPA went up from Rs.405.81 million in FY2017 to Rs.1756.80 million in FY2018. (IFIN Annual Reports, 2016, 2017, 2018).The auditor for IL&FS, Deloitte Haskins & Sells LLP, did not point out any fault or adverse remark. The auditors in their report mentioned that the company reviewed its risk management policies and found few procedural gaps, which have been remediated. However, RBI was of the opinion that IL&FS has deliberately shown less bad loans and low provisioning. In a dramatic turn of events, in the FY 2018, IL&FS reported that its profit after tax has gone down from Rs. 2925.79 million in FY 2017 to negative Rs. 21092.25 million in FY 2018. The EPS (basic and diluted) went down to negative Rs.162.49 per share in FY 2018 from negative Rs. 6.32 per share in FY 2017. (IL&FS, Annual Report FY 2018)

On September 08, 2018 ICRA revised the long term credit rating for the Rs. 52250 million non-convertible debentures programme and the Rs. 3500 million term loans of (IL&FS) to ICRA BB from ICRA AA+. ICRA revised the short term rating for the Rs. 25000 million commercial paper programme of IL&FS to ICRA A4 from ICRA A one plus. The downgrading

was due to the huge liquidity pressure at the group level. The default in payment led to panic in the market and the share prices of group holdings namely; IL&FS Engineering Construction Company Ltd went down from Rs.16.95 per share on September 7th, 2018 to Rs.14.90 on September, 17th, 2018, IL&FS Investment Managers Ltd went down from Rs.11.50 per share on September 7th, 2018 to Rs. 10 per share on 17th September, 2018 and IL&FS Transportation Networks Ltd. went down from Rs. 30.15 per share on 7th September, 2018 to Rs. 22.10 on 17th September, 2018 (Stock Edge). The IL&FS Group that has 6 joint ventures, 4 associate companies, 24 direct and 135 indirect subsidiaries has a debt of around Rs.910000 million.

The primary reason for the default as laid down by experts suggests that the land acquisition law of 2013 made land acquisitions complicated and projects unviable.

The aftermath of the crisis has been tremendous. The crisis of IL&FS had a spill over effect and most of the NBFCs experienced a steep fall in their share prices. The impact can be well understood by the fact that in the initial two trading days since default the cumulative loss of the top 15 NBFCs namely; Bajaj Holdings, Power Finance Corporation, Shree Global, IDFC, Rural Electrification Corporation, HDFC, Muthoot Finance, M&M financials, Reliance Capital, etc. was over Rs. 750000 million.

In response to the crisis the Government of India moved a petition on 1st of October, 2018 before the National Company Law Tribunal (NCLT). The court approved the petition and the government appointed six industry professionals namely; Uday Kotak, MD of Kotak Mahindra Bank as the head of the panel, G.C. Chaturvedi, chairman of ICICI, Vineet Nayyar, former vice chairman of Tech Mahindra, G.N. Bajpai, former SEBI chairman and bureaucrats Malini Shankar and Nand Kishore replacing the existing 15 member IL&FS board. The primary task of the six member committee would be towards restoring confidence of the investors and preparing a debt resolution plan.

### The Challenges

The IL&FS crisis had very adverse effect on Non Banking Finance Companies (NBFCs) and Housing Finance Companies (HFCs) in terms of their liquidity and the real estate sector. NBFC stocks have tumbled and DHFL has been the worst affected. The following are some of the challenges that emerge from the crisis

- ★ According to Credit Suisse report, in the fiscal 2017 and 2018 where the banks have recorded an average

credit rate of 7%, the NBFCs have recorded a credit growth of 20%. It has been observed from various reports that the NBFCs and HFCs contribute 25% to 35% of the incremental overall credit. After the freeze on real estate funding by banks because of rising NPAs, the NBFCs and HFCs have played a major role in providing the necessary funds for real estate companies. IFIN is considered to be one of the leading NBFC. The crisis has affected the liquidity of the NBFCs and the loan disbursements have slowed down. The lenders are themselves finding it difficult to get finances.

- ✱ The crisis of IL&FS has eroded the faith of the investors at large and the regulatory agencies as usual are trying to restore it. In this process the regulators are bringing in stringent compliances which would ultimately restore investors' confidence but increase the cost of compliance.
- ✱ The sales in the real estate sector are already facing low growth. The current crisis has only added to its misery. The liquidity crisis of the NBFCs will further delay the residential projects which are already running behind schedule.
- ✱ The ongoing liquidity is likely to impact home loan approvals and disbursements thereby reducing residential property demand

## Conclusion

According to the consolidated financial statement for the FY 2018 the surplus in consolidated Statement of Profit and Loss showed a negative Rs. 26,702.08 million compared to negative Rs. 2727.20 million in the FY 2017 (IL&FS Consolidated Financial Statement, FY 2018). The new board of IL&FS has found that outstanding loans and investments of IFIN to other entities of IL&FS group are quite high. The amount outstanding is more than the regulatory caps. This is likely to erode further the creditability of IL&FS. The chances of a scam cannot be ruled out. The situation has also affected the future of many firms who have invested in IL&FS. The state-owned firms own almost 40 per cent of the company. There is news that the government could ask National Highways Authority of India (HNAI) to take over some of the IL&FS's incomplete road projects. LIC could invest more in the debt laden IL&FS. IL&FS has identified at least 25 projects that could be sold. It has already received offers for 14 such projects. This will help IL&FS to reduce the debt burden considerably.

The situation is not same for all the developers as listed realty developers for e.g. DLF, Prestige Group, Godrej Properties, etc. having well diversified portfolios, including commercial and retail may emerge stronger. The current situation may also trigger consolidation in the industry.

With respect to the moratorium of payments by IL&FS, The Indian Banks' Association (IBA) is waiting for a decision by the National Company Law Appellate Tribunal (NCLAT). After NCLAT's hearing the IBA would approach to the RBI on classification of lenders' Rs 600000 million exposure to the group.

IL&FS being the first PPP for infrastructure and one of the most successful organisations, its crisis raises the fundamental questions; was the crisis largely caused by environmental factors or created?

If one looks deeper into the IL&FS crisis the answer is very easy. IL&FS board should have taken stock of RBI's report and undertaken corrective measures. In fact the RBI should have played a more proactive role if it felt that IL&FS is on the verge of a liquidity crisis. The auditors of IL&FS, Deloitte Haskins & Sells LLP, should have timely reported the adversities in the functioning of the company. ICRA should have been more stringent. The government being a part of this PPP should have been vigilant. If all the stakeholders have played their role diligently and timely then this crisis could have been avoided. Talking about PPP, it has its own advantages and for a country like India the private participation should be used to harness the unexplored ventures for taking the economy to the next level. As of now, the real task is to rebuild investor confidence and restore the lost glory of IL&FS. MA

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## DISTRESSED COMPANIES: AN EXPLORATORY STUDY OF CONSIDERATIONS, APPROACHES AND METHODS OF VALUATION



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*Valuing a business can be hard work. Valuing a distressed business  
even more so.*

### Abstract

*A company is said to be in distress when the company is unable to meet, or has difficulty paying off, its financial obligations to its creditors, typically due to high fixed costs, illiquid assets, or revenues being sensitive to economic downturns. While the dominant valuation methods have proven to be very reliable for healthy companies with stable future growth prospects, they struggle to yield accurate results for companies that face extreme volatility and uncertainty, such as firms in decline and distress. Distressed firm valuation is a complex topic in which many traditional assumptions and methodologies of value measurement do not work. Valuation in general is a combination of science and art, more so in the case of distressed companies. Hence, a right mix of assumptions, framework, approach, and methodology should be judiciously used to arrive at the appropriate valuation, which balances the theoretical and practical aspects*

### When is a company said to be in distress

A company is said to be in distress when the company is unable to meet, or has difficulty paying off, its financial obligations to its creditors, typically due to high fixed costs, illiquid assets, or revenues being sensitive to economic downturns. Such distress can lead to operational distress as increasing costs of borrowings take a toll on the operations of the company as well.

Distress can be broadly categorized into economic and financial distress. Economic distress is broad-based and afflicts most companies operating in the economy at some point and is normally outside the control of the company. Factors causing economic distress include – general economic recession, technological or cultural shifts, and sometimes, wars or other geo-political confrontations. Some of the factors are temporary, while others may bring a permanent change in the business landscape. Economic distress often leads to financial distress.

The financial distress is defined as a relative or absolute insolvency. The absolute insolvency is possible to describe as the situation when the value of liabilities exceeds the value of assets. The relative insolvency is possible to characterize as the situation where the firm is not able to pay its liabilities in concrete time, at concrete place and in concrete form. The insolvency is also possible to distinguish as so called primary and secondary, where the secondary insolvency is characterized as the situation when the value of outstanding receivables is higher than the value of outstanding liabilities. Some authors emphasize that it is necessary to distinguish between the insolvency and the so called reluctance to pay.

Firms in financial distress cannot meet, or have difficulty paying off their financial commitments to their creditors. Some of the characteristics of financially distressed companies are stagnant or declining revenue, shrinking margin, high leverage, ballooning interest costs, working capital blockage, high customer and employee attrition, Shrinking or negative margins, Asset divestitures, Lack of confidence in the management.

Distressed companies are businesses that are in risk of, or already have defaulted on their debts. Creditors of a distressed company should know that, although a company may not be making payments on some, or all of its debt requirements, there still may be some value remaining on the instruments they hold. Just because a company cannot make payments on its debt does not mean the company is entirely worthless. Value is typically tied to the company's assets.

There are two different types of distress, economic distress and financial distress. While a mature company still derives a significant part of its value from growth investments, the declining company obtains almost no value from their new investments and basically lives off its existing assets. In many cases the company actually loses value from their growth investments due to investment return rates below the cost of capital of the company. In that case, the company's net present value as a going concern is less than the total value of its assets. This means that the business is no longer viable or, as the academic literature defines it, it has become economically distressed. In this situation, the assets are not in their highest value use and it would be more beneficial for the company to close down its operations and divest its assets [Crystal and Mokal, 2006] [Damodaran, 2009]. This situation is not to be confused with financial distress. A firm that is financially distressed could be highly profitable, but the distress comes from insolvency, i.e. illiquidity. This is defined as having difficulties in meeting liabilities such as interest payments or other contractual obligations when they arise. If merely financially distressed, the company is still economically viable and its assets might be in their highest value use. Financial distress can have serious consequences, which are normally categorized as direct and indirect costs. If firms are unable to meet their debt payments they are normally forced to liquidate their assets at bargain prices and use the proceeds to pay off debt. In this scenario it is very unlikely that there is any value left for the equity holders. A company in economic distress will eventually, if nothing changes, end up in financial distress.

Distress may also be a). Potential distress: All firms are subject to potential distress •Firms in declining industries, bad management decisions or simply bad luck will eventually end

up in distress b). Realized distress •Firms already in distress may be worth less than their outstanding debt •Their equity still retains value: perhaps the firm will be bought out, it will be turned around, or there will be an equity bail-out

## Literature review

Financial Distress as a phenomenon has been a focal point of study in corporate finance since early 70's (Altman, 1971; Altman & Nammacher, 1985) The terms 'financial distress' and 'bankruptcy', have commonly been often used synonymously; however the two situations differ substantially in terms of the fundamental variables related to firm's financial health as well as in the sequence of events. Bankruptcy or insolvency or liquidation is the situation, preceded by financial distress. Platt & Platt (2002) emphasized that financial distress is the late stage of firm decline, which can be followed by the major events such as bankruptcy, liquidation or insolvency. Developing a theory of financial distress, Gordon (1971) suggested that the decrease in the earnings capacity of the firm can result in the possibility of inability of the firm to repay the principal or interest component of debt. Such a state represents the distressed financial condition of the firm. Wruck (1990) also explained "financial distress as a situation, where cash flows are insufficient to cover the current obligations".

## How is valuation of distressed companies different from financially sound companies ?

The definition of value and its proper application has long been debated. "Value is a word of many meanings...It gathers its meaning in a particular situation from the purpose for which a valuation is being made. Valuation is not merely a mathematical formula. Both quantitative and qualitative factors, inputs and adjustments may be used in the valuation process. Furthermore, value may change based on the Premise of Value and the Standard of Value on which the valuation is based. For situations in distress, the Standard of Value and the Premise of Value may shift with the situation and the purpose of the valuation. Valuation of financially sound companies is based on the premise of going concern i.e. the company is expected to continue its operations in the foreseeable future. The conventional valuation methods used may lead to an overestimation of values of distressed companies, since such companies seldom exhibit characteristics of a going concern entity. Distressed companies are more prone to being liquidated and shut down.

The following two factors discuss why conventional methods are not usefully deployed when valuing companies in distress:

✱ Conventional valuation methods involve the computation of terminal value i.e. the value of the subject going into

perpetuity. This may not hold true for companies in distress for which an assumption of perpetuity is not is not practically relevant and feasible

✳ Discount rates/Multiples used in traditional methods reflect operations of companies which are operationally as well as financially sound. They cannot be used in their pure forms without adjusting them for the probabilities of failures of the companies in case of distressed companies.

The traditional valuation methods fail to account for the main characteristics of many of the declining and distressed firms and therefore provide very biased results. These include, among others, issues of limited applicability or biased treatment of risks. Also, the very definition of the traditional methods, in particular the DCF method, defines that the firm will never cease operations. Therefore, these methods fail to account for the risk of default, resulting in the need for a new valuation framework that specifically addresses the issue of bankruptcy risk and other characteristics of firms in decline and distress

While the dominant valuation methods have proven to be very reliable for healthy companies with stable future growth prospects, they struggle to yield accurate results for companies that face extreme volatility and uncertainty, such as firms in decline and distress. Several research studies found major deviations in the results from traditional valuation techniques for these kind of firms. The limited applicability of the traditional methods for firms in decline and distress is caused by the fact that the characteristics of these firms violate some of the fundamental assumptions of these methods. Consequently, these methods have shown poor results for firms that operate in uncertain environments and/or violate some of the main underlying assumptions of the methods. The use of traditional valuation methods in volatile and uncertain scenarios is therefore questionable.

Sources of Valuation Uncertainty for distressed companies arise on account of 'strategic' and 'structural factors'. The strategic factors leading to valuation uncertainty arise because those holding senior claims have an incentive to undervalue the company's business, whereas junior claimants have an incentive to overvalue it. Structural factors leading to uncertainty include exposing the company's business to the market which might result in its undervaluation if the market is going through a down turn or recession as potential buyers may not looking to expand, or because it is difficult to get together a group of investors, because of reputational reasons, etc.

### Approach to Valuation of distressed companies

One of the most frequently debated yet least understood issues in business and law is the value of a firm. The process of

valuing a firm is even more complex and less understood when one adds to the equation the fact that the firm is financially distressed or has even already filed for bankruptcy.

The initial issue that should be addressed is whether the firm's value should be derived as a liquidation value or a going-concern value. Generally, the appropriate method depends on the facts relevant to each specific case. For example, if creditors value a firm for the purpose of deciding whether to support a reorganization, or alternatively to pressure for its liquidation, valuations based on both a liquidation assumption and a going-concern assumption are typically derived.

Liquidation value reflects the firm's expected proceeds, assuming the business is discontinued and the assets are sold off piecemeal. The literature distinguishes between orderly liquidation (assets are sold over a reasonable time period) and forced liquidation (assets are sold quickly, often at an auction sale). Usually, a liquidation valuation can be estimated with more precision than a financially distressed enterprise valued as a going-concern.

Given that each distressed company has its own unique circumstances, and certain of the other valuation methodologies might potentially be limited, the relative importance of the discounted cash flow (DCF) methodology is increased. Several issues should be addressed, including the nature of the projected cash flows and the cost of capital and its components (the cost of equity and the cost of debt). The projected cash flows are clearly crucial for the valuation. Naturally, management is the source of the initial set of projected cash flows, and the valuation experts, often assessing their reasonableness, will potentially adjust them appropriately. In the case of a financially distressed (or already bankrupt) company, the situation is more complicated. There is the possibility that the cash flows are consistently biased.

During a crisis, the going-concern capital value deriving from the plan proposed by management and current owners must be compared with that arising from other feasible options, such as

- The going-concern value with new owners (through a change of control) while maintaining the current firm's asset base,
- The going-concern value in combination with other entities (exploiting various forms of synergy), an option realistically coupled with a change in ownership,
- The liquidation value, that is, the sale of company assets on an individual basis (bankruptcy value in a strict sense).

By focusing on a distressed company's going-concern value, the assumptions and outputs of the reorganization plan critically support the estimation of capital value, conceived as

the current value of expected future economic flow. To this end, the valuation process can be structured as follows: a) Analysis of the company's historical financial results and balance sheet at the date of valuation, which reflect the strategy and business model implemented by management, b) Examination and review of the projections forecast by the reorganization plan aimed at overcoming distress, c) Estimation of the firm's enterprise value (EV) and its variability in light of the scenario analysis, which are essential for a plan that is unavoidably affected by elements of uncertainty, d) Calculation of the debt value (D), based on the plan's cash flow for the remuneration and reimbursement of creditors and their volatility (closely linked to that of EV), e) Computation of the equity value (E)—equal to EV minus D—which, in the event the plan is approved by creditors, benefits from the possibility of realizing EV (in terms of financial feasibility) and could profit from the debt value reduction (compared to the nominal value of debt). The value of E encompasses the equity components devoted to creditors, provided they were activated in the financial maneuvers under the reorganization plan.

## Other Considerations in Valuing Distressed firms

With distressed firms, everything is in flux - the operating margins, cash balance and debt to name three. It is important that you update your valuation to reflect the most recent information that you have on the firm. The equity in a distressed firm can take on the characteristics of an option and it may therefore trade at a premium on the DCF value.

## Methods of valuation of distressed companies

Even though the fundamentals underlying the valuation of distressed companies remain the same. However, the methods are amended or suitably tweaked and modified to address the practical issues that may arise in the valuation of the distressed company

✳ **Simulations:** You can use probability distributions for the inputs into DCF valuation, run simulations and allow for the possibility that a string of negative outcomes can push the firm into distress.

✳ **Going concern DCF value with adjustment for distress:** You can value the distressed firm on the assumption that the firm will be a going concern, and then adjust for the probability of distress and its consequences. Adjusted Present Value: You can value the firm as an unlevered firm and then consider both the benefits (tax) and costs (bankruptcy) of debt.

### ✳ Modified Discounted Cash flow Valuation

This method is based on the underlying principles of the discounted cash flow method but adjustment for the risk of default needs to be carried out for cash flows as well as discount

rate. The same can be done as follows:

**A) Estimating the cash flows:** Cash flows under each scenario (from most optimistic to most pessimistic) have to be estimated with the respective probabilities of each scenario. The expected cash flow for a particular year is: Expected cash flow = SUM (Estimated cash flow under each scenario \* Probability of respective scenario). It is important to note that the adjustment for distress is a cumulative one and will have a greater impact on the cash flows in the later years. For example, if the probability of distress is 10% each in year 1 and year 2, there is now only an 81% chance that the firm will generate cash flows in year 3.

**B) Estimating the discount rate:** The following approaches may be used for addressing the risk of distress in the discount rate: i.) The bottom up unlevered beta should be used and Relevered using the subject company's current debt to equity ratio and the effective tax rate. Since distressed companies usually have high debt to equity ratios and have negligible effective tax rates (since they are loss making), the relevered beta which will be higher will take into account the risk of distress. ii.) Another choice is to estimate a distressed premium which is to be added to the cost of equity calculated using standard measures. One of the ways of computing the distress premium is to compare the company's pre-tax cost of debt to the industry's cost of debt. If the company has a pre-tax cost of debt of 16% and the same for the industry is 8%, the distress premium is 8%.

### ✳ Discounted cash flow valuation plus distress value

Per this method, Value of equity = DCF value of equity on going concern basis (1 – Probability of distress) + Distress sale value of equity (Probability of distress). The mechanics of this approach is as under :

**Step 1:** Value the business on the basis of going concern assumption using conventional valuation methods

**Step 2:** Determine the probability of distress.

**Step 3:** Estimate the distress sale value of equity • Using bond ratings: The historical data of bond defaults can be used as a benchmark to determine the probability of default of the subject company based on the corporate rating applicable to the company. • As a percentage of book value • As a percentage of DCF value of equity on a going concern.

However, the valuation of distressed companies includes numerous additional elements of uncertainty as well. Examples include: The ability to retain employees, the ability to reorganize, the structure of the reorganized entity, the ability to divest underperforming assets, Litigation risk resulting from the company's distress, access to capital markets



post-reorganization, cost of funds post-reorganization, the possibility that the company may be liquidated. When considering the valuation of distressed companies, a combination of subjective and analytical modifications to traditional valuation methodologies is required.

### Discount rate

The following points should be considered when estimating a discount rate to arrive at enterprise value:

**Beta :** Instead of using historically regressed beta, a bottom-up beta should be used which is based on a peer group operating in the same industry and then re-levering the betas based on the financial and operating risks suitably.

**Cost of debt :** Due to the higher current borrowing rate the cost of debt can be estimated based on a synthetic rating, which in turn can be estimated based on the financial characteristics of the company.

**Tax rate :** Considering that the distressed firm is currently suffering losses, the tax rate would gradually increase, hence, it is suggested that the effect of this be included while estimating post tax cost of debt by using different post tax cost of debt at different points of time during the projected period.

**Capital structure / Leverage :** Leverage can be considered based on industry average and sustainable debt balance on servicing capacity of the business.

### ✱ Relative valuation

The following approaches are available for relative valuation :

1. Compare the distressed company's valuation to that of other distressed companies - the problem may be that there may not always be available enough distressed companies at any given time to be able to make comparisons

2. Compare with healthy companies, but adjust for the distress - it may be assumed the distressed company would probably become healthy in the future. Accordingly, an estimate is developed based on its future value which is then discounted back to arrive at a going-concern value to which the probability of distress and distress sale proceeds are added to arrive at the final value

3. Adjust the multiple for distress, using some objective criteria.

4. Consider the possibility of distress explicitly • Distress-adjusted value = Relative value based upon healthy firms (1 - Probability of distress) + Distress sale proceeds (Probability of distress)

### Conclusion

"We are in danger of valuing most highly those things we

can measure most accurately, which means that we are often precisely wrong rather than approximately right" –Sir John Banham Director General of the Confederation of British Industry 1987-1992

Distress is not restricted to a few small firms. Even large firms are exposed to default and bankruptcy risk. When firms are pushed into bankruptcy, the proceeds received on a distress sale are usually much lower than the value of the firm as a going concern. Conventional valuation models understate the impact of distress on value, by either ignoring the likelihood of distress or by using ad hoc (or subjective) adjustments for distress. Valuation models - both DCF and relative - have to be adapted to incorporate the effect of distress.

Distressed firm valuation is a complex topic in which many traditional assumptions and methodologies of value measurement do not work. Valuation in general is a combination of science and art, more so in the case of distressed companies. Hence, a right mix of assumptions, framework, approach, and methodology should be judiciously used to arrive at the appropriate valuation, which balances the theoretical and practical aspects. Arriving at a reasonable enterprise value is essential for attempting appropriate financial restructuring and to ensure the appropriate pay-offs to secured, unsecured and operational creditors and to equity holders. This, in turn, is critical to achieve the best resolution for the subject business. **MA**

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## ELECTIONS - 2019

### THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

#### NOTIFICATION

Kolkata, the 26th March, 2019

#### ELECTIONS TO THE COUNCIL AND THE REGIONAL COUNCILS, 2019

The present (four-year) term of the Nineteenth Council will come to an end on July 21, 2019. For the purpose of constituting Twentieth Council on July 22, 2019 and four Regional Councils for the term 2019-2023, elections to the Council and to the four Regional Councils of the Institute will be held as per the following notifications:

#### Dates of elections to the Council and the Regional Councils and other matters

No. EL-2019/1.- In pursuance of clause (a) of sub-section (2) of Section 9 of the Cost and Works Accountants Act, 1959 as amended (the Act) read with Rules 3 & 4 and other applicable Rules of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended (the Rules) and Regulations 114, 115, 118 & 121 and other applicable Regulations of the Cost and Works Accountants Regulations, 1959 as amended (the Regulations), the Returning Officer of the Institute of Cost Accountants of India hereby notifies the following for the conduct of elections to the Council and the Regional Councils in the year 2019:

1.	Date of issue of Notification for the purpose of Rule 4 of the Rules	Tuesday, the 26th March, 2019
2.	In pursuance of Rule 4 read with Rules 9, 10, 11, 12, 14, 21, 28, 29, 30, 32 and 35 of the Rules and Regulations 114, 115, 118 & 121 of the Cost and Works Accountants Regulations, 1959 and other applicable Rules and Regulations, the Council has fixed the following dates for the conduct of elections, viz.	
	a) the last date and time for receipt of nominations [Rule 4 (2)(a) and 9)	Thursday. the 18 <sup>th</sup> April, 2019 up to 6.00 P.M.
	b) the date and place of scrutiny of nominations [Rule 4 (2)(b) and 12)	Friday, the 3 <sup>rd</sup> May 2019 at the Headquarters of The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata - 700 016.
	c) the last date and time for withdrawal of nominations [Rule 4 (2) (c) and 14]	Monday, the 13 May, 2019 up to 6:00 P.M.



	d)	the dates and time of polling [Rule 4 (2) (d), 21 and 29]	Friday, the 28th June, 2019 (From 8:00 A.M. to 8:00 P.M.)
	e)	the last date and time for receipt of applications for permission to vote by post [Rule 4 (2) (e) and 28]	Monday, 29 <sup>th</sup> April, 2019 up to 6.00 P.M
	f)	The last date and time for receipt by post of ballot papers back from voters [Rule 4 (2) (f)]	Friday, the 28th June, 2019, up to 6.00 P.M
	g)	the date and time of commencement of counting of Votes [Rule 4 (2) (g) and 32]	Wednesday, 3 <sup>rd</sup> July, 2019 onward ( from 10 A.M on each day)
	h)	The date of declaration of results [Rule 4 (2) (h) and 35]	By Tuesday, 9 <sup>th</sup> July, 2019
3.		Fee for election fixed by the Council (Rule 10)	For Council: Rs. 25,000/- (Rupees twenty five thousand only)+ 18% GST  For Regional Council: Rs.20,000(Rupees Twenty Thousand only) + 18% GST
4.		Security Deposit payable by the candidate [Rule 11]	Rs. 20,000/- (Rupees twenty thousand only)
5.		Names of the members of the panel for scrutiny of nomination papers [Rule 2]	<ol style="list-style-type: none"> <li>1. Shri Anurag Agarwal, Joint Secretary, Ministry of Corporate Affairs, Government Nominee on the Council,</li> <li>2. Ms. Mausumi Ray Bhattacharyya, Director General of Commercial Audit and Ex-officio Member, Audit Board-II, Government Nominee on the Council,</li> <li>3. Shri L Gurumurthy Returning Officer, The Institute of Cost Accountants of India.</li> </ol>

The relevant provisions of the Act, the Rules, the Regulations and other applicable laws shall apply to these elections.

L.GURUMURTHY, Returning Officer



## ELECTIONS - 2019

### NOTIFICATION

Kolkata, the 26th March, 2019

#### Elections to the Council of the Institute of Cost Accountants of India

**No. EL-2019/2.**-In pursuance of sub-rule (1) of Rule 9 of the Cost and Works Accountants (Election to the Council) Rules, 2006, the Council of the Institute of Cost Accountants of India hereby notifies that:

- (a) Total number of members to be elected to the Council from all 15 (Fifteen) regional constituencies under clause (a) of sub-section (2) of Section 9 of the Cost and Works Accountants Act, 1959
- (b) Number of members to be elected for each regional constituency as specified in Rule 8 read with Schedule 3 and Rule 3 read with Schedule 1

Name of the Constituency	Number of members to be elected
Western India Regional Constituency	4 (Four)
Southern India Regional Constituency	5 (Five)
Eastern India Regional Constituency	3 (Three)
Northern India Regional Constituency	3 (Three)
<b>Total:</b>	<b>15 (Fifteen)</b>

The Council invites nomination of candidates who desire to stand for elections to the Twentieth Council scheduled to be held on 28<sup>th</sup> June, 2019. They should deliver their nominations in the manner specified in Rule 9 of the Cost and Works Accountants (Election to the Council) Rules, 2006 to Shri L. Gurumurthy, Returning Officer, The Institute of Cost Accountants of India (By Name) in a closed envelope superscribing on it "Nomination for Council Election 2019 - 2023" at the Headquarters of The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata- 700 016 so as to reach him not later than 6:00 P.M. on Thursday, the 18<sup>th</sup> April, 2019,

Candidates may visit the Institute's website: [www.icmai.in](http://www.icmai.in) for familiarizing themselves with the Cost and Works Accountants (Election to the Council) Rules, 2006. The nomination shall be in the form approved by the Council of the Institute under sub-rule (3) and as specified in Rule 9 of the said Rules. Nomination forms can be downloaded from the website of the Institute.

Nominations shall be accompanied by a fee of Rs. 25,000/((Rupees twenty five thousand only) + 18% GST by Demand Draft, payable at Kolkata, drawn in favour of the Secretary, The Institute of Cost Accountants of India as provided in Rule 10. Candidates can submit maximum number of ten nominations as per sub-rule (2) of Rule 9

Every candidate standing for election in addition to fee as provided in Rule 10, shall pay, irrespective of the number of nominations filed under Rule 9, an amount of Rs.20,000/- (Rupees twenty thousand only) by Demand Draft payable at Kolkata, drawn in favour of the Secretary, The Institute of Cost Accountants of India, as security deposit as provided in Rule 11.

L. GURUMURTHY, Returning Officer



**NOTIFICATION**

Kolkata, the 26th March, 2019

**Elections to the Regional Councils of the Institute of Cost Accountants of India**

No. EL-2019/3.-In pursuance of sub-regulation (2) of Regulation 114 and Regulation 118 of the Cost and Works Accountants Regulations 1959, the Council of the Institute of Cost Accountants of India hereby notifies that the elections to the Regional Councils shall be held in the manner as specified hereunder:

<b>Name of the Regional Council</b>	<b>Number of members to be elected</b>
Western India Regional Council	8 (Eight)
Southern India Regional Council	10 (Ten)
Eastern India Regional Council	7 (Seven)
Northern India Regional Council	7 (Seven)
<b>Total:</b>	<b>32 (Thirty Two)</b>

The Council invites nomination of candidates, who desire to stand for elections to a Regional Council to be held on 28<sup>th</sup> June, 2019. The nominations shall be delivered to Shri L Gurumurthy, Returning Officer, The Institute of Cost Accountants of India (By Name), in a closed envelope superscribing on it "Nomination for Regional Council Election 2019-2023" at the Headquarters of The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata – 700 016 so as to reach him not later than 6:00 P.M. on Thursday, the 18<sup>th</sup> April, 2019. Nomination forms can be downloaded from the Institute's website: [www.icmai.in](http://www.icmai.in).

Candidates may visit the Institute's website: [www.icmai.in](http://www.icmai.in) for familiarizing themselves with the Cost and Works Accountants (Election to the Council) Rules, 2006. The nomination shall be in the form approved by the Council of the Institute under sub-rule (3) and as specified in Rule 9 of the said Rules read with Regulation 118 of the Cost and Work Accountants Regulations 1959. Nomination forms can be downloaded from the website of the Institute.

Candidates for elections to a Regional Council shall pay a fee of Rs. 20,000/- (Rupees twenty thousand only)+ 18% GST by Demand Draft, payable at Kolkata, drawn in favour of the Secretary, The Institute of Cost Accountants of India by virtual of Rule 10 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations 1959.

Every candidate standing for elections to a Regional Council in addition to fee as provided above, shall pay, irrespective of the number of nominations filed under Rule 9 read with Regulation 118, an amount of Rs. 20,000/- (Rupees twenty thousand only) by Demand Draft payable at Kolkata, drawn in favour of the Secretary, The Institute of Cost Accountants of India, as security deposit as per Rule 11 of the Cost and Works Accountants (Election to the Council Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations 1959.

L. GURUMURTHY, Returning Office



## ELECTIONS - 2019

### NOTIFICATION

Kolkata, the 26th March, 2019

#### *Constitution of Regional Councils of the Institute of Cost Accountants of India*

No. EL-2019/4-In exercise of the powers conferred by sub-section (1) of Section 23 of the Cost and Works Accountants Act, 1959, the Council of the Institute of Cost Accountants of India, hereby notifies the constitution of Regional Councils as under in pursuance of sub-regulation (1) of Regulation 114 of the Cost and Works Accountants Regulations, 1959 for the four Regional constituencies notified by the Central Government vide Notification published in the Gazette of India Extraordinary, Part II, sub-section (ii) of Section 3 as S.O. 1331 (E) dated 20th November, 2003 under clause (a) of sub-section (2) of Section 9 of the Cost and Works Accountants Act 1959, namely:

Sr. No.	Name of the Regional Constituency
1	<b>Western India Regional Constituency:</b> Comprising the States of Chattisgarh, Goa, Gujarat, Madhya Pradesh and Maharashtra and the Union Territories of Dadra and Nagar Haveli and Daman and Diu;
2	<b>Southern India Regional Constituency:</b> Comprising the States of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana State and the Union Territories of Lakshadweep and Pondicherry;
3	<b>Eastern India Regional Constituency:</b> Comprising the States of Arunachal Pradesh, Assam, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Sikkim, Tripura and West Bengal and the Union Territory of Andaman and Nicobar Islands;
4	<b>Northern India Regional Constituency:</b> Comprising the States of Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttaranchal and Uttar Pradesh and the Union Territories of Chandigarh and Delhi.

L. GURUMURTHY, Returning Officer

**NOTIFICATION****Kolkata, the 26th March, 2019****Payment of fee for elections to the Council and elections to the four Regional Councils of the Institute of Cost Accountants of India**

**No. EL-2019/5.**-In pursuance of sub-rule (1) of Rule 10 of the Cost and Works Accountants (Election to the Council Rules, 2006 specified under the Cost and Works Accountants Act, 1959, it is hereby notified that a candidate shall pay a fee of Rs. 25,000 (Rupees twenty five thousand only) + 18% GST for elections to the Council, irrespective of the number of nominations that may be filed by him under Rule 9. By virtue of sub-rule (1) of Rule 10 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959, a candidate shall pay a fee of Rs. 20,000 (Rupees twenty thousand only) + 18% GST for elections to the Regional Councils, irrespective of the number of nominations that may be filed by him under Rule 9. The fee shall be paid by Demand Draft, drawn in favour of the Secretary, The Institute of Cost Accountants of India, payable at Kolkata

Clarification: A candidate may file any number of nominations not exceeding ten for elections to the Council and irrespective of the number of nomination(s) he has to pay a sum of Rs. 25,000 + 18% GST along with the nomination. A candidate may file any number of nominations not exceeding ten for elections to the Regional Councils and irrespective of the number of nomination(s) he has to pay a sum of Rs. 20,000 + 18% GST along with the nomination.

L. GURUMURTHY, Returning Office

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**NOTIFICATION****Kolkata, the 26th March, 2019****Payment of Security Deposit for the elections to the Council and elections to the four Regional Councils of the Institute of Cost Accountants of India**

**No. EL-2019/6.**-In pursuance of Rule 11 of the Cost and Works Accountants (Election to the Council) Rules, 2006 specified under the Cost and Works Accountants Act, 1959, it is hereby notified that in respect of elections to the Council of the Institute for the term 2019-2023, a candidate for election, in addition to fee as provided above, shall pay irrespective of the number of nominations filed, an amount of Rs.20,000 (Rupees twenty thousand only) as security deposit, which shall be forfeited if he fails to secure not less than 2% of the original votes as defined in Rule 35 in the concerned regional constituency. By virtue of Rule 11 and Regulation 118, a candidate for elections to the Regional Councils of the Institute for the term 2019-2023, in addition to fee as provided above shall pay, irrespective of the number of nominations filed, an amount of Rs.20,000 (Rupees twenty thousand only) as security deposit, which shall be forfeited if he fails to secure not less than 2% of the original votes as defined in Rule 35 read with Regulation 118 in the concerned regional constituency. The security deposit shall be paid by Demand Draft, drawn in favour of the Secretary, The Institute of Cost Accountants of India payable at Kolkata.

L. GURUMURTHY, Returning Officer



## ELECTIONS - 2019

### NOTIFICATION

Kolkata, the 26th March, 2019

#### Notification of Recognition of Qualifications for the purpose of Sub-rule (4) of Rule 9 read with Schedule 4

**No. EL-2019/7.**-In pursuance of sub-rule (4) of the Rule 9 read with Schedule 4 of the Cost and Works Accountants (Election to the Council) Rules, 2006 and Regulation 118 of the Cost and Works Accountants Regulations 1959 relating to nominations for elections, the Council has resolved that for the purpose of sub-clause (a) of clause (2) of Schedule 4. the following qualifications have been recognized by the Council :

- i) All degrees/Diplomas awarded by the Universities recognized by Government or Council of the Institute.
- ii) Professional - Associate/Fellow Membership of The Institute of Chartered Accountants of India, Associate/Fellow Membership of The Institute of Company Secretaries of India, Associate/Fellow Membership of The Chartered Institute of Management Accountants, UK, Full/Fellow Membership of the Institute of Public Accountants, Australia and Associate/Member level Membership of the Chartered Institute for Securities & Investment, UK, Professional Membership of IPA of Institute of Cost Accountants of India, Institute of Company Secretaries of India and Institute of Chartered Accountants of India."

L. GURUMURTHY, Returning Officer

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### NOTIFICATION

Kolkata, the 26th March, 2019

**No. EL-2019/8.**-In pursuance of sub-rule (1) of Rule 6 of the Cost and Works Accountants of India (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959, it is here notified that the list of members eligible to vote (list of voters) from the various constituencies for elections to the Nineteenth Council and the four Regional Councils of the Institute of Cost Accountants of India is available for sale with effect from 28th March, 2019.

In pursuance of sub-rule (3) of Rule 6, the list of voters is available for sale on payment of price fixed by the Council as mentioned below from the Headquarters of The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata - 700016, the respective Regional Council offices at Mumbai, Chennai, Kolkata & Delhi and the Chapter offices of the Institute of Cost Accountants of India:

Region	Price per printed Book (Rs.)	Price per CD (Rs.)+ 18% GST
Western India Regional Constituency	400.00	150.00
Southern India Regional Constituency	400.00	150.00
Eastern India Regional Constituency	400.00	150.00
Northern India Regional Constituency	400.00	150.00

L. GURUMURTHY, Returning Officer





### NOTIFICATION

Kolkata, the 26th March, 2019

**No. EL-2019/9.**-The Council in exercise of the powers vested under sub-rule (1) of Rule 41 of the Cost and Works Accountants of India (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations 1959 has fixed the following ceiling of expenditure to be incurred by a candidate for elections to the Council and the Regional Councils:

Election	Expense (Rs.)
Council	6,00,000/-
Regional Councils	3,50,000/-

In pursuance of sub-rule (2) of Rule 41 read with Regulation 118, every candidate for elections to the Council and the Regional Councils shall file an account of expenses incurred for the election in the format approved by the Council within fifteen days of notification issued under Rule 36. Formats as approved by the Council are printed in the Journal of the Institute and also available on the Institute's website [www.icmai.in](http://www.icmai.in).

In pursuance of sub-rule (3) of Rule 41 read with Regulation 118, a member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Cost and Works Accountants Act, 1959 as amended if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of subrule (1) or sub-rule (2).

L. GURUMURTHY, Returning Officer



## ELECTIONS - 2019

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



FORM OF NOMINATION OF A CANDIDATE FOR ELECTION TO THE  
COUNCIL OF  
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

[See Rule 9,10 & 11 and other applicable Rules of the Cost and Works Accountants  
(Election to the Council) Rules, 2006 as amended (the Rules)]

### NOMINATION

We, the undersigned members of The Institute of Cost Accountants of India, not being in arrears this day in respect of our respective annual membership fee for the current year and being eligible to vote under Rule 5 in the election of members to the Council of the Institute notified to be held during the calendar year 2019 do hereby nominate \_\_\_\_\_ who is a Fellow Member of the Institute belonging to \_\_\_\_\_ India Regional Constituency, as a candidate for election to one of the seats to be filled up from . . . . . India Regional Constituency in accordance with the provisions contained in The Cost and Works Accountants (Election to the Council) Rules, 2006 as amended.

1. Signature of Proposer :

Name :

Membership No. :

Voter's Sl. No. :

Address :

Date :

2. Signature of Secunder :

Name :

Membership No. :

Voter's Sl. No. :

Address :

Date :



**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



### CONSENT

I,.....being a Fellow Member of the Institute on the 1<sup>st</sup> day of October, 2018, belonging to the ..... India Regional Constituency and not being in arrears of my entrance fees, annual membership fees and other dues on the 1<sup>st</sup> day of October, 2018, and having my name borne on the Register, agree to stand as a candidate for election to one of the seats to be filled up from the said constituency in the election notified to be held during the calendar year 2019.

I declare that I am eligible to stand for election to the Council in accordance with the Rule 7 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended.

\*I.....send herewith / I have already sent nomination fee of Rs.25,000/- (Rupees Twenty Five Thousand only) + 18% GST applicable by demand draft No..... dated ..... drawn on .....(Bank) in favour of The Secretary, The Institute of Cost Accountants of India, payable at Kolkata.

I send herewith / I have already sent Security Deposit of Rs. 20,000/- (Rupees Twenty Thousand only) by demand draft No. ....dated.....drawn on .....bank in favour of The Secretary, The Institute of Cost Accountants of India payable at Kolkata.

I agree to abide by the provisions of the Cost and Works Accountants Act, 1959, The Cost and Works Accountants (Election to the Council) Rules, 2006 and The Cost and Works Accountants Regulations, 1959 and amendments thereof and other applicable Acts, Rules and Regulations as well as the decisions taken by the Council / Returning Officer in regard to Elections from time to time and forward herewith the statement (and photograph) pursuant to Schedule 4 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as annexed to this nomination form.

Signature of the Candidate

Name in Full :

Membership No. :

Voter's Serial No. :

Address :

Dated.....day of.....2019.



**ELECTIONS - 2019**

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



**STATEMENT PURSUANT TO SUB-RULE (4) OF RULE 9 READ WITH  
SCHEDULE 4**

[ To be annexed to the Nomination Form for Election to the Council of  
The Institute of Cost Accountants of India ]

- (1) I.....give below the :  
particulars concerning myself
- (a) Name :
- (b) Membership No. :
- (c) Professional Address :
- (d) Voter's serial number as published in the List of Voters :
- (e) Date of Birth :
- (f) Whether Fellow and the date on which became Fellow :
- (g) Date of Enrolment as an Associate member :
- (h) Whether citizen of India :
- (i) Whether found guilty of any professional or other misconduct and consequently whether he has been reprimanded or the name has been removed from the Register or has been awarded penalty of fine as on the date of nomination; :

If the answer to (i) above is in affirmative, provide the following details, wherever applicable (separately) for each misconduct for which found guilty

- (i) The offence for which found guilty :
- (ii) The date of reprimand :
- (iii) The date from which the name was removed on account of above disqualification from the Register :





**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



- (iv) The total period of removal :
- (v) The date on which the period of removal expires :
- (vi) Whether the removal was on account of misconduct falling under the First Schedule or the Second Schedule :
- (vii) The date on which the penalty of fine was awarded :
- (viii) Amount of penalty of fine :
- (ix) The date on which the payment was made for penalty of fine awarded :
- (j) Whether appointed as the auditor of the Institute and, if so, whether the period of three years had already expired after he has ceased to be the auditor of the Institute, along with the dates of appointment and cessation as auditor :
- (k) If that period has not yet expired, the date on which it shall expire :
- (l) Details of past and present membership of the Council including the Office of the President and / or Vice-President of the Institute :
- (m) Whether holding a post under the Central Government or State Government as defined in sub-section (3) of Section 9 of the Cost and Works Accountants Act, 1959 as amended :
- (n) Whether an employee of the Institute in accordance with clause (f) of proviso to Rule 7 :
- (2) The statement referred to in clause 1 may also contain, at the option of the candidate, information concerning the candidate in respect of the following:
  - (a) Academic qualifications (diplomas including post qualification diploma(s) and degrees :



## ELECTIONS - 2019

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



recognised by Government / Council and membership of professional bodies recognized by the Council);

- (b) Merit awards (limited upto first three : positions) in the examinations of recognised universities and the examinations conducted by the Institute;
- (c) Particulars of occupation:- :
  - (i) Employment (designation with name of : present employer)
  - (ii) Practice (sole proprietor or in partnership : including the name of the firm)
  - (iii) Particulars of other occupation / engagement, : if not covered by (i) and (ii) above;
- (d) Past and present membership of Regional : Councils and Managing Committees of Chapters of Regional Councils and office of Chairman, Vice-Chairman, Secretary and / or Treasurer in the case of Regional Councils and / or Chapters of Regional Councils.

Signature of the Candidate

### VERIFICATION

I.....do hereby declare that the particulars given above are true and correct to the best of my knowledge and belief.

Signature of the Candidate

Place :

Date :

Name in Full :

Membership No:

Address:

Mobile No.

Email Id



**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



FORM OF NOMINATION OF A CANDIDATE FOR ELECTION TO REGIONAL  
 COUNCIL OF  
 THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

[See Rule 9,10 & 11 and other applicable Rules of the Cost and Works Accountants  
 (Election to the Council) Rules, 2006 as amended (the Rules) and Regulations 114, 115,  
 118 & 121 and other applicable Regulations of the Cost and Works Accountants  
 Regulations, 1959 as amended (the Regulations) ]

NOMINATION

We, the undersigned members of The Institute of Cost Accountants of India, not being in arrears this day in respect of our respective annual membership fee for the current year and being eligible to vote under Rule 5 read with Regulation 118 in the election of members to the Regional Council of the Institute notified to be held during the calendar year 2019 do hereby nominate \_\_\_\_\_ who is an Associate/Fellow Member of the Institute belonging to \_\_\_\_\_ India Regional Council, as a candidate for election to one of the seats to be filled up from . . . . . India Regional Council in accordance with the provisions contained in The Cost and Works Accountants (Election to the Council) Rules, 2006 as amended and the Cost and Works Accountants Regulations, 1959 as amended.

1. Signature of Proposer :

Name :

Membership No. :

Voter's Sl. No. :

Address :

Date :

2. Signature of Seconder :

Name :

Membership No. :

Voter's Sl. No. :

Address :

Date :



## ELECTIONS - 2019

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



### CONSENT

I,.....being an Associate/Fellow Member of the Institute on the 1<sup>st</sup> day of October, 2018, belonging to the ..... India Regional Council, and not being in arrears of my entrance fees, annual membership fees and other dues on the 1<sup>st</sup> day of October, 2018, agree to stand as a candidate for election to one of the seats to be filled up from the said Regional Council in the election notified to be held during the calendar year 2019.

I declare that I am eligible to stand for election to the Council in accordance with Regulation 118 of the Cost and Works Accountants Regulations, 1959 as amended.

\*I.....send herewith / I have already sent nomination fee of Rs. 20,000/- (Rupees Twenty Thousand only) + 18% GST applicable by demand draft No..... dated ..... drawn on .....(Bank) in favour of The Secretary, The Institute of Cost Accountants of India, payable at Kolkata.

I send herewith / I have already sent Security Deposit of Rs. 20,000/- (Rupees Twenty Thousand only) by demand draft No. ....dated.....drawn on .....bank in favour of The Secretary, The Institute of Cost Accountants of India, payable at Kolkata.

I agree to abide by the provisions of the Cost and Works Accountants Act, 1959, The Cost and Works Accountants (Election to the Council) Rules, 2006 and The Cost and Works Accountants Regulations, 1959 and amendments thereof and other applicable Acts, Rules and Regulations as well as the decisions taken by the Council / Returning Officer in regard to Elections from time to time and forward herewith the statement (and photograph) pursuant to Schedule 4 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as annexed to this nomination form.

Signature of the Candidate

Name in Full :

Membership No. :

Voter's Serial No. :

Address :

Dated.....day of.....2019.





**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



STATEMENT PURSUANT TO SUB-RULE (4) OF RULE 9 READ WITH  
 SCHEDULE 4 & REGULATION 118

[ To be annexed to the Nomination Form for Election to the Regional Council of  
 The Institute of Cost Accountants of India ]

- (1) I.....give below the :  
 particulars concerning myself
- (a) Name :
- (b) Membership No. :
- (c) Professional Address :
- (d) Voter's serial number as published in the List of :  
 Voters
- (e) Date of Birth :
- (f) Whether Fellow and the date on which became :  
 Fellow
- (g) Date of Enrolment as an Associate member :
- (h) Whether citizen of India :
- (i) Whether found guilty of any professional or other :  
 misconduct and consequently whether he has been  
 reprimanded or the name has been removed from  
 the Register or has been awarded penalty of fine as  
 on the date of nomination;

If the answer to (i) above is in affirmative, provide  
 the following details, wherever applicable  
 (separately) for each misconduct for which found  
 guilty

- (i) The offence for which found guilty :
- (ii) The date of reprimand :
- (iii) The date from which the name was removed :  
 on account of above disqualification from the  
 Register



## ELECTIONS - 2019

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



- (iv) The total period of removal :
- (v) The date on which the period of removal :  
expires
- (vi) Whether the removal was on account of :  
misconduct falling under the First Schedule or  
the Second Schedule
- (vii) The date on which the penalty of fine was :  
awarded
- (viii) Amount of penalty of fine :
- (ix) The date on which the payment was made for :  
penalty of fine awarded
- (j) Whether appointed as the auditor of the Institute :  
and, if so, whether the period of three years had  
already expired after he has ceased to be the auditor  
of the Institute, along with the dates of appointment  
and cessation as auditor
- (k) If that period has not yet expired, the date on which :  
it shall expire
- (l) Details of past and present membership of the :  
Regional Council including the Office of the  
President and / or Vice-President of the Institute,  
Chairman or Vice-Chairman of the Regional  
Council of the Institute
- (m) Whether holding a post under the Central :  
Government or State Government as defined in sub-  
section (3) of Section 9 of the Cost and Works  
Accountants Act, 1959 as amended
- (n) Whether an employee of the Institute in accordance :  
with clause (f) of proviso to Rule 7
- (2) The statement referred to in clause 1 may also :  
contain, at the option of the candidate, information  
concerning the candidate in respect of the  
following:



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- (a) Academic qualifications (diplomas including :  
 post qualification diploma(s) and degrees  
 recognised by Government / Council and  
 membership of professional bodies recognized  
 by the Council);
- (b) Merit awards (limited upto first three :  
 positions) in the examinations of recognised  
 universities and the examinations conducted  
 by the Institute;
- (c) Particulars of occupation:- :
- (i) Employment (designation with name of :  
 present employer)
- (ii) Practice (sole proprietor or in partnership :  
 including the name of the firm)
- (iii) Particulars of other occupation / engagement, :  
 if not covered by (i) and (ii) above;
- (d) Past and present membership of Regional :  
 Councils and Managing Committees of  
 Chapters of Regional Councils and office of  
 Chairman, Vice-Chairman, Secretary and / or  
 Treasurer in the case of Regional Councils  
 and / or Chapters of Regional Councils.

Signature of the Candidate

#### VERIFICATION

I.....do hereby declare that the particulars given above are true  
 and correct to the best of my knowledge and belief.

Place:

Signature of the Candidate

Date :

Name in Full :

Membership No:

Address:

Mobile No.

Email Id



**ELECTIONS - 2019**

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**ELECTION TO THE COUNCIL AND REGIONAL COUNCIL, 2019**

**Kolkata, 26<sup>th</sup> March, 2019**

**NOTIFICATION**

**Election Code of Conduct for Observance by the Candidates and their Authorized Representatives during the Elections to the Council and Regional Councils to be held in June 2019**

**No.EL-2019/10:** (i) With a view to maintain a healthy and peaceful atmosphere during the election process and for ensuring a free and fair election, the Returning Officer hereby issues an Election Code of Conduct as approved by the Council in exercise of the powers vested in the Council under sub-rule (1) of Rule 16 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended (the Rules).

(ii) Date of applicability of Election Code of Conduct

The Election Code of Conduct comes into force from the date of issue of notification under sub-rule (2) of Rule 4 of the Rules. If any action is prohibited by Election Code of Conduct (e.g. sitting on a dais) with effect from the date of issue of Election Notification, but such action is taken before filing nomination for elections, a contesting candidate shall be considered to have violated the Election Code of Conduct since such action is prohibited by Election Code of Conduct. Hence, all contesting candidates, their authorized representatives and members in general should strictly comply with Election Code of Conduct and Guidelines / Instructions / Directives / Circulars issued by the Returning Officer in this regard with effect from the date of issue of Election Notification

(iii) The Election Code of Conduct contains instructions and norms to be followed by candidates and their authorized representatives appointed under these Rules and members during the entire election process including at the polling booths and counting centre(s).

(iv) The Election Code of Conduct shall be in addition to that prescribed by the Cost and Works Accountants Act, 1959 as amended (the Act) and the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended (the Rules) and the Cost and Works Accountants Regulations, 1959 as amended (the Regulations) and shall come into force from the date of issue of notification under sub-rule (2) of Rule 4 of the Rules.

(v) The Election Code of Conduct is deemed to be guidelines of the Council under clause (1) of Part II of the Second Schedule of the Act and it is obligatory for each candidate to comply with the Election Code of Conduct.





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(vi) For the purpose of this Election Code of Conduct, “Institute” means the Institute of Cost Accountants of India, its Regional Councils/Chapters/Study Circles/Overseas Centres/CMA Support Centres/CAT ROCCs/Section 8 Companies promoted by the Institute like ICWAIMARF/AAT/IPA/RVO.

#### Election Code of Conduct

1. No candidate would indulge in any activity, which may aggravate differences or create hatred or cause tension amongst the members, different castes and communities, religious or linguistic directly or indirectly.
2. No candidate shall make use of any mode of communication including electronic media in any form directly or indirectly which are derogatory, defamatory and offensive in nature aimed at tarnishing the image of any other member or candidate for the purpose of electioneering or transmitting information connected with the election.
3. There should be no appeal to caste or communal feelings for securing votes. Mosques, Temples or other places of worship shall not be used as forum for election propaganda.
4. All candidates shall avoid scrupulously all activities, which are corrupt practices, such as providing incentive to voters, intimidation of voters, giving presentations to voters, host parties and get-togethers of members with the object of securing votes etc.
5. No candidate shall, with the object of securing votes, directly or indirectly offer any employment or any other professional / occupational opportunity or any other offer leading to pecuniary gain of a member.
6. No candidate shall use any loud speaker or distribute any written communiqué, gift or any item in the Zero Tolerance Zone for the purpose of electioneering or transmitting information connected with the election.
7. (i) No candidate shall directly or indirectly use the Institute’s resources for the purpose of electioneering.  
(ii) Under no circumstances the personal visits of the candidates shall be combined with official visits to any other place in India during the period of Code of Conduct. There will be restrictions on tour of contesting candidates who are members of Council, Regional Councils or Managing Committee of Chapters.  
(iii) There shall be total and absolute ban on the using of official vehicles / vehicles hired by the Institute for campaigning, electioneering or election related travel by the contesting candidates including the candidates who are members of Council, Regional Councils or Managing Committee of Chapters during the period of Code of Conduct. Similar ban applies to non-contesting candidates also who are members of Council, Regional Councils or Managing Committee of Chapters, who may provide direct or indirect support to the contesting candidates.



## ELECTIONS - 2019

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(iv) No contesting candidate or his/her representatives shall use or be allowed to use the premises of the Institute like Guest House, Office Premises (Chapter, Regional Council and Headquarters), hotels / any other premises hired by the Institute as a campaign office or for holding any public meeting for the purpose of election propaganda. However, the Guest House or office premises can be used for conducting the meetings of the Institute.

8. All contesting candidates/authorised representative(s) shall:
  - (a) co-operate with the officers on election duty in complying with the restrictions to be imposed on the plying of vehicles on the polling day;
  - (b) refrain from serving or distributing liquor or any other gifts to the members in any manner whatsoever.
- 9 The contesting candidate shall supply to their authorized representatives suitable badges or identity cards to be used in polling booths and counting center(s) ;
10. Excepting the voters, no one without a valid pass from the Returning Officer shall enter the polling booths.
11. If the candidates or their authorized representatives have any specific complaint or problems regarding the conduct of the elections, they may bring the same to the notice of the observer.
12. After the notification for the election is issued by the Council, the contesting members shall not announce any financial grant in any form or make promises therefor or announce any projects or schemes of any kind, which may be aimed at influencing the voters.
13. The contesting candidates for the election, shall not preside over or share dais, stage, platform and/or participate in the programmes and activities including Modular Training Programmes/Pre-placement Orientation Programmes/Placement Programmes organized by the “Institute” and such other programmes as may be specified by the Returning Officer from time to time as speaker, paper writer, faculty member, presenter of bouquets, flowers, garlands, mementoes, gifts or in such other capacity as the Returning Officer might decide from time to time to ensure free and fair elections. The contesting candidates for the Election, shall not act as faculty for any of the programmes/classes conducted by the “Institute”
14. The contesting candidates and/or their authorized representatives shall not use any infrastructure, forum including programmes, by whatever name called, manpower, machinery, facilities or communication medium – electronic or otherwise of the Institute, its Regional Councils and Chapters in any manner whatsoever. While there is no bar for participation in any event/programme organized by the “Institute” as an ordinary participant, however, the event/ programme shall not be used for publicity/electioneering in any form whatsoever. This restriction is equally applicable to any other event/ programme by whatever name called.
15. No programme announcement shall include name(s) of the contesting candidates.



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16. Proceedings of the programmes conducted by the Institute / Regional Councils / Chapters shall be published only after proper editing so that the name(s) of any contesting candidate(s) is/are not mentioned in the proceedings.
17. No photograph of a contesting candidate including as part of a group shall be published at any place in any journal, newsletter or its equivalents, website, electronic media or otherwise. In case of group photograph, the photo of the contesting candidate from the group shall be dropped for the purpose of publication. In case it is not possible to segregate the candidate from the group photograph by way of his position in the photograph, such photograph shall not be published.
18. The names of contesting candidates shall not be published by way of congratulations for any achievement or by way of elevation, on the move, or in any other capacity by the Institute.
19. No publicity of programme(s) and their coverage by the Institute/Regional Councils/Chapters, in a manner covering contesting candidates, will be given in any of the journals, newsletters or its equivalents, website or otherwise.
20. No article, write-up, report, column and the like by any contesting candidate will be allowed for publication / inclusion in the journal, newsletter or its equivalents, website.
21. No brochure/any other material covering contesting candidates including written communication(s) of programme(s) organized by the Institute / Regional Councils and Chapters shall contain the name or reference of any contesting candidate in any manner whatsoever. This prohibition is not, however, applicable for the brochure / other material as aforesaid already printed for sending to the intended readership or audience, or name required to be given under any specific legal requirement.
22. No brochure/publicity material including written communications printed in respect of any programme held on or after issue of notification shall contain the photograph / reference to any of the contesting candidates in any manner whatsoever.
23. The contesting candidate(s) shall not raise any question at any event/programme organized by the Headquarters, Regional Councils, Chapters or any other offices of the Institute so as to attract the attention of the audience to gain visibility / publicity. While there is no bar for participation in such an event/programme, as an ordinary participant, however, the said event/programme shall not be used for the purpose of publicity/electioneering in any manner whatsoever. The restrictions shall be applicable not only for any event/ programme held within a candidate's own constituency but outside his constituency including overseas events/ programme as well. The contesting candidate shall not preside over or share dais, stage, platform likely to have members of the Institute as part of audience.
24. No interview to newspaper(s), electronic media and the like by contesting candidate(s) in any manner whatsoever is permissible. Any communication to newspaper(s), electronic media and the like by contesting candidate(s) or through any other person in any manner whatsoever is also prohibited.



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25. In the event of any invitation being received by a candidate from any other outside agencies/organizations such as Industry Associations like Central Government, State Government, Institute of Chartered Accountants of India, Institute of Company Secretaries of India, CII, FICCI, ASSOCHAM, Chambers of Commerce etc., and Voluntary Bodies like Rotaries, Non-Government Organisations etc. for participation in any of their events/programme etc., in any capacity – professional or otherwise, while there is no bar for participation in such an event/programme, as an ordinary participant, however, the said event/programme shall not be used for the purpose of publicity/electioneering in any manner whatsoever. The restrictions shall be applicable not only for any event/ programme held within a candidate's own constituency but outside his constituency including overseas events/ programme as well. The contesting candidate shall not preside over or share dais, stage, platform likely to have members of the Institute as part of audience.
26. Organisation of parties or participation in any party or providing any form of entertainment, e.g., musical nights and the like or religious/spiritual events, with the direct and/or indirect involvement of the candidate in any form/manner whatsoever is prohibited as a part of electioneering or for the purpose of election.
27. The contesting candidate(s) shall not maintain a separate website as a part of electioneering or for the purpose of election. The website maintained by a Firm/member in practice, cannot be used as a part of electioneering/canvassing/propagating purpose or for the purpose of election.
28. The journal / newsletters published in any form including electronic mode shall not use the column "Council Member/Chairman Page/Writes"; and in replacement thereof, the nomenclature "Committee Writes", "Council / Regional Council Writes" / "Managing Committee Writes" as the case may be, shall be used. Alternatively, it may be a column in the name of the "Editor". The name(s) of the editor/publisher of the newsletters etc. can, however, be printed, wherever the same is legally required to be mentioned.
29. No candidate and/ or his/her authorized representative(s) shall utilize the services of any office bearers and members of Central Council, Regional Councils, Chapters, Overseas Centres, Study Circles, in the latter's official capacity whether held presently or in the past, for campaigning/ canvassing/ electioneering/propagating. However, such an office bearer can act at his/her own free will, in his/her individual capacity. Office bearer, for this purpose, will mean all elected/ nominated members of the Council, Regional Councils, Chapters, Conveners of Study Circles.
30. The distance of 200 meters from the room in which a polling booth is set up shall be treated as zero tolerance zone for the purpose of said elections in order to conduct the elections in a free and fair manner.
31. There shall be complete ban on erection of stall, putting up chairs, tables, tent or shamiana or pandal by whatever name called, display on vehicles on polling days within the zero tolerance zone



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32. There shall be complete ban on display of banners, distribution/supply of any gifts, pamphlets/ letters/ circulars (other than one permitted under Rule 42) or any other publicity materials including free distribution of books/ calendars/ diaries/ handouts, in physical form or electromagnetic/ electronic storage devices and the like.
33. Distribution of cards within the zero tolerance zone is banned. Serving tea/coffee, snacks and lunch to volunteers, supporters of the candidates and the voters within the zero tolerance zone shall be prohibited totally.
34. There shall be complete ban on wearing or displaying the Pla Card/s, Batches, T-shirt, Cap or any other display material indicating the Name or Photograph or Serial/Ballot Number of the candidate during the polling days.
35. There shall be complete ban on intimidation and impersonation of voters, providing transportation to voters and canvassing in any form/mode, excepting one to one communication, 24 hours before the commencement of polling and during the polling days.
36. Only one manifesto or circular or support seeking appeal shall be issued by a candidate in relation to the election in the period commencing from the date of issue of final list of valid nominations to the candidates and the same may be repeated by the candidate in any form, in part or in full, including SMS/WhatsApp / Email / social media within the Region in which the candidate is contesting. The manifesto or circular support issued by a candidate shall not contain any appeal on the basis/ lines of religion, caste, creed, community, political or spiritual leadership or any other sectoral basis/ lines.
37. No candidate shall attend any public function to receive any award, except award constituted and given by Central/State Governments or hold Press Conferences during the currency of the Election Code of Conduct.
- 38 Contribution of Articles in Newspapers/Professional Journals/Magazines without photograph and personal contact details including e-mail of candidate shall be permitted. However, there will be no mention about his/her being a candidate for election to the Council or the Regional Council as the case may be.
39. It shall be the duty of a candidate to bring to the notice of the Returning Officer, if any person or persons is/are doing any electioneering work on his/her behalf without his/her knowledge or authorisation.

Attention of the members is also invited to the provisions of Rule 41 and 42 of the Cost and Works Accountants (Election to the Council) Rules, 2006 which provides for disciplinary action against members contravening the election norms set out in the said rules. For the convenience and ready reference of members, Rules 41 and 42 are reproduced hereunder. Members and contestants are requested to adhere to the requirements stipulated in the Rules.





## ELECTIONS - 2019

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Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006

(Election Expenses)

- (1) No candidate, whose name has been included in the final list of nominations under Rule 15, shall incur expenditure above an amount to be fixed by the Council for this purpose.
- (2) Every such candidate shall file an account of expenses incurred for the election in a format approved by the Council, within fifteen days of notification issued under Rule 36.
- (3) A member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Act if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of Sub-rule (1) or Sub-rule (2).

Rule 42 of the Cost and Works Accountants (Election to the Council) Rules, 2006

(Disciplinary action against member in connection with conduct of election)

- (1) A member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Act if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of Sub-rule (2) or all or any of the clauses of Sub-rule (3) or Sub-rule (4) of this rule.
- (2) Only one manifesto or circular shall be issued by a candidate in relation to the election in the period commencing from the date of issue of final list of nominations to the candidates.
- (3) A manifesto or circular issued shall conform to the following requirements in the interest of maintaining dignity in the election, namely:
  - (a) A manifesto or circular shall contain information regarding the candidate himself and shall not make any reference, directly or indirectly, to any other candidate;
  - (b) The information, which a candidate may furnish in a manifesto or circular regarding himself, shall not differ in any material respect from the information furnished by the Institute to the voters under rule 9. A candidate may, however, include in such manifesto or circular, any additional information not contained in the information furnished under rule 9;
  - (c) A manifesto or circular shall neither contain any appeal to the voters on the basis of caste or on communal, religious, regional or sectional lines nor any tall claim;
  - (d) The distribution of a manifesto or circular shall be restricted only to the members of the constituency concerned;



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- (e) A certified copy of such manifesto or circular shall be sent to the Returning Officer by speed/registered post within 15 days of its issue ;
  - (f) While a candidate may repeat, in any form, the manifesto or circular issued under Sub-rule (2) of this Rule without changing its contents, however, he shall not issue more than one manifesto or circular.
- (4) A member shall not adopt one or more of the following practices with regard to the election, namely :-
- (i) Bribery, that is to say, any gift, offer or promise of any gifts or gratification to any person by a candidate or any other person, with his connivance, with the object directly or indirectly of: -
    - (a) inducing a member to stand or not to stand as a candidate at an election or rewarding him for act or omission ; or
    - (b) inducing to withdraw his candidature or rewarding such withdrawal ; or
    - (c) inducing a voter to vote or not to vote at an election, or as a reward for act or omission ;

Explanation : - For the purpose of this clause, the term “gratification” is not restricted to pecuniary gratification or gratifications estimable in money, and it includes organising parties or providing any other form of entertainment, and all forms of employment for reward; but it does not include the payment of any expenses bonafide incurred at or for the purpose of any election.

- (ii) Undue influence, that is to say, any direct or indirect interference or attempt to interfere on the part of a candidate or any other person, with his connivance, with the free exercise of any electoral right ;
- (iii) The publication by a candidate or by any other person, with his connivance, of any statement of fact which is false, and which he either believes to be false or does not believe to be true, in relation to the personal character or conduct of any candidate or in relation to the candidature or withdrawal of any candidate, being a statement reasonably calculated to prejudice the prospects of that candidate’s election;
- (iv) The obtaining or procuring or abetting, or attempting to obtain or procure, by a candidate or by any other person, with his connivance, any assistance for the furtherance of the prospects of the candidate’s election from any person serving under the Government of India or the Government of any State, other than the giving of vote by such person, if he is a member entitled to vote;
- (v) The hiring or procuring, whether on payment or otherwise, of a vehicle by a candidate or by any other person, with his connivance, for the conveyance of voters;



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- (vi) Resorting to disorderly behaviour or misbehaviour within the zero tolerance zone to be determined by the Returning Officer of the polling booth and/or venue for counting of votes;

*Explanation* - For the purpose of this clause, canvassing for votes, distribution of visiting cards, pamphlets, manifestos, letters, hand-outs, circulars, gifts and the like, erection of any stall and display of any banner shall be treated as disorderly behaviour/misbehaviour.

- (vii) Exhibiting or placing any notice or sign board relating to the election by a candidate or by any other person with the connivance of the candidate at any time and any where during the election period including on the date/s of polling within a distance of 200 meters from the polling booth ;
- (viii) Non-compliance with any of the directives or circulars or instructions issued by the Returning Officer under these Rules in any matter relating to elections;
- (ix) Contesting the election representing a political party or on political lines;
- (x) Any act specified in clauses (i) to (ix) when done by a member, who is not a candidate, but is acting with the concurrence or connivance of a candidate ;
- (xi) The receipt by a member or an agreement by a member to receive any gratification: -
  - (a) as an inducement or reward for standing or not standing as a candidate; or
  - (b) as an inducement or reward for withdrawing his candidature; or
  - (c) as an inducement or reward for himself or any other person for voting or refraining from voting ; or
  - (d) as an inducement or reward for inducing or attempting to induce any voter to vote or refrain from voting ; or
  - (e) inducing or attempting to induce any candidate to withdraw his candidature;
- (xii) Contravention or misuse of any of the provisions of these Rules or making of any false statement knowing it to be false or without knowing it to be true, while complying with any of the provisions of these Rules.

### III Clarification:

1. A candidate may repeat the same contents of one manifesto or circular without changing its contents, including communication through e-mail / Whatsapp / SMS.
2. Birthday/other greetings/greetings on a festive occasion by letter/card/SMS/e-mail etc. to individual members can be sent. However, the contesting candidate should not mention anything about his/her candidature for the election or a request to vote for or support him in the election. The said greetings will not amount to manifesto or circular provided it does not



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contain any information about his/her candidature or a request to vote for or support him/her in the election.

3. The distribution of manifesto or circular shall be restricted only to the members of the constituency concerned and shall not be distributed to the members outside the concerned constituency pursuant to Rule 42(3)(d) of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended. Personal website or any other website as well as various e-groups may lead to access of members outside the constituency. Hence, the contesting candidates cannot use personal website or any other website as well as various e-groups for issue of election manifesto or circular or for electioneering purpose.

4. The issue of the manifesto or circular should strictly conform to Rule 42 of the Cost and Works Accountants (Election to the Council) Rules, 2006

5 The manifesto or circular may contain one passport size single colour or black and white photograph of the contesting candidate.

6. The manifesto or circular should not contain any other photograph of the contesting candidate or of any other person either individually or in a group.

7. The manifesto or circular cannot be issued in forums like yahoo or other e-groups, any other group, email group of members, any electronic media, press and the public at large.

8. Websites, web groups, social networking sites, chat rooms, creation of community, registration in social networking sites and the like must not be used by the contesting candidate in any manner for electioneering purpose as well as for issue of a manifesto or circular

9. A letter, e-mail, SMS/WHATSAPP or fax by a contesting candidate appealing the members to vote and/or support him/her shall be deemed to be a manifesto or circular under sub-rule (2) of Rule 42 of the Rules.

10. The manifesto or circular can be sent through post, SMS/WHATSAPP, e-mail, fax etc. However, if a candidate has already sent the manifesto or circular by SMS/WHATSAPP or e-mail or fax, he is not entitled to send any other written communication different from that already sent to the members in pursuance of sub-rule (2) of Rule 42 of the Rules. However, a candidate can send an extract of only one manifesto or circular issued by him in relation to the election in different modes of communication.

11. The manifesto of only one candidate can be sent in a single envelope indicating the name of the contesting candidate as sender when sent by post.

12. No contesting candidate shall create any website / portal in regard to Elections to the Council/Regional Councils, 2019.

13. No contesting candidate shall upload his/her appeal, tantamounting to securing favour/votes, on his / her / firm/ company's website.

14. No contesting candidate shall provide name(s) of the client companies in his appeal / manifesto.

15. No candidate shall publish/propagate, by whatever means it may be, his/her photograph(s) pertaining to any event/program organized by the Institute/Regional Councils/Chapters.

16. No contesting candidate shall pick up any photographs /logo of the Institute/Image of the building of the Institute/Regional Councils/Chapters from official Journal of the



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Institute or the Newsletters/Magazines of Regional Councils/Chapters and use the same in any manner.

17. No contesting candidate shall send SMS/WHATSAPP to members requesting to “Cast vote on election day” or similar communication to improve the voting.

18. No contesting candidate shall include the areas of specialization in his appeal as the same are in contravention of Clause (6) and Clause (7) of Part-I of the First Schedule of The Cost and Works Accountants Act, 1959.

19. No contesting candidate shall post appeal/ manifesto to web groups, social networking sites or chat rooms or create the community or do registration in social networking sites in the name of any contesting candidate.

20. The members are entitled to exercise their vote, on preferential basis, in favour of the contesting candidates within the Regional Constituency irrespective of their location within the said Regional Constituency. No contesting candidate or group of contesting candidates shall advise / pressurize the members contrary to the above.

21. No contesting candidate shall send SMS/WHATSAPP such as 'Good Morning' 'Good Evening', mentioning about his candidature for the election and the like either by himself or through any third party/commercial service provider.

22. No contesting candidate shall send any communication in regard to appreciation/recommendation/ adverse comments about the other contesting candidate(s). Contesting candidates/their authorized representatives/members are liable for disciplinary action for noncompliance with any other directives or circulars or instructions issued by the Returning Officer.

23. Members are advised not to take the indirect route for getting their visibility or enhancing their image or projecting themselves for the Elections to the Council and Regional Councils, 2019 by adopting the following:

(i) Circulation of programme details announced by the Institute’s Headquarters, Regional Councils, Chapters and other offices to the members from their e-mail id/mobile or any other mode of communication.

(ii). Circulation of Government Notifications, Circulars, Research Papers, Articles, News Items or the like from their e-mail id/mobile or any other mode of communication.

(iii). Use of name of any individual/group/quotes/phrases (e.g. “CMA Group”, “Mera Bharat Mahan”) or the like, whereby such communication is made from their e-mail id/mobile or any other mode of communication.

(iv). Communication of Election Notification / Guidelines / Instructions / Circulars etc. which are issued by the Returning Officer or contents thereof in full or part and / or explanations/guidelines thereof for communicating to the members.

(v). Inclusion in the communication/manifesto/circular any photograph other than one passport size single colour or black and white photograph of the contesting candidate. (The photograph of any other member, political leader, person of eminence, celebrity, God/Goddess, religious leader or the like or their quotes either individually or in a group are also prohibited to be used in any communication/manifesto/ circular).

(vi) Use of any e-mail/SMS/WHATSAPP/Website/Web Groups/Social Networking Site/Chat Room/ Community for the above purpose.

(vii). Making any communication to a member outside the region.





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24. The above Code of Conduct is applicable to the candidates, their authorized representatives and any other member acting directly or indirectly on behalf of the candidate.

25. Notwithstanding anything contained hereinabove, the Council may cause investigation into the conduct of any candidate or authorized representative or any other member in any other circumstances for violation of Election Code of Conduct.

#### **IV. Rationale Behind Code of Conduct**

(i) A visible and rigorous enforcement of Election Code of Conduct enhances the credibility of the elections and confidence to the stakeholders / voters. It also ensures that the official machinery for election purposes is not misused.

(ii) All staff and officials of the Institute as well as Cost Trainees, Research Associates, temporary, contractual, outsourced personnel by whatever name called (hereinafter referred to as concerned persons) of Headquarters, Regional Councils, Chapters, Section 8 Companies promoted by the Institute or any other unit pertaining to the Institute shall be held guilty of misconduct and shall be subject to penal action if the concerned person is found to violate the Election Code of Conduct by not adhering to the guidelines on the Election Code of Conduct and are found helping any candidate directly or indirectly in the process of election. There will be restrictions on tour / leave of these concerned persons whose spouse / relatives are active in the election area.

(iii) All employees of the Institute / Regional Councils / Chapters shall be under the administrative control of the Returning Officer, during the period of the Code of Conduct

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#### **ELECTION TO THE COUNCIL AND REGIONAL COUNCIL, 2019**

##### **NOTIFICATION**

**Kolkata, 26<sup>th</sup> March, 2019**

##### **Application for Permission to Vote by Post**

**No.EL-2019/11:** In pursuance of Rule 28 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959, the form for permission to vote by post as approved by the Council is annexed herewith.

The duly filled in and signed form along with requisite evidence should be submitted to the undersigned latest within 29<sup>th</sup> April, 2019 up to 6:00 P.M.

**L. Gurumurthy, Returning Officer**

Encl:- Form



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**12, Sudder Street, Kolkata – 700 016.**



**Approval of other Forms relating to conduct of Elections.**

**FORM OF APPLICATION SEEKING PERMISSION TO VOTE BY POST**

Shri L Gurumurthy  
Returning Officer,  
The Institute of Cost Accountants of India,  
CMA Bhawan,  
12, Sudder Street,  
Kolkata – 700 016.

Dear Sir,

Subject: Elections to the Council and Regional Councils, 2019.

I hereby apply for permission to vote by post under Rule 28 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959 and give below the necessary particulars:

1. Full Name:
2. Membership No:  
(Mobile No: ) (email id:
3. Serial No. in the list of voters, if known:
4. Serial No. and address of the polling booth allotted:
5. Reason for seeking permission to vote by post:

(a) There has been a permanent change in my professional address\* where I am employed from the address published in the list of voters, to another place beyond a radius of fifty kilometers from the polling booth allotted to me as given below:

.....  
.....

OR

(b) I am suffering from a permanent infirmity \*\*, particulars of which are given below on account of which I shall not be able to exercise my vote on the date of election at the polling booth allotted to me.

Particulars of permanent infirmity:

.....  
.....



**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



6. Address to which the voting papers should be sent:

Date:

Place:

Signature of the Member

#### VERIFICATION

I declare that the particulars given above are correct to the best of my knowledge and belief.

Signature of the Member

Date:

Place:

\* The applications must be supported by a certificate duly signed by an authorized personnel of the organization where the member is employed.

\*\* The application in this case must be supported by a certificate from a medical practitioner, not below the rank of a surgeon in any Government Hospital, confirming such permanent infirmity.

(DULY FILLED IN AND SIGNED HARD COPY OF THIS FORM IN ORIGINAL SHOULD BE SUBMITTED TO THE RETURNING OFFICER AT THE HEADQUARTERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA, CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016 LATEST WITHIN Monday, 29 April, 2019 UP TO 6.00 P.M.)

### ELECTION TO THE COUNCIL AND REGIONAL COUNCIL, 2019

#### NOTIFICATION

Kolkata, 26<sup>th</sup> March, 2019

#### Application for Permission to Vote at a Polling Booth or Change of Polling Booth

**No.EL-2019/11A:** In pursuance of Rule 28 of the Cost and Works Accountants (Election to the Council) Rules, 2006, the form for permission to vote at a polling booth or change of polling booth as approved by the Council is annexed herewith.

The duly filled in and signed form should be submitted to the undersigned latest within 29<sup>th</sup> April, 2019 up to 6:00 P.M.

**L. Gurumurthy, Returning Officer**

Encl:- Form



**ELECTIONS - 2019**

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



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**Form of Application for Permission to Vote at a Polling Booth or for Change of Polling Booth**

(Note: Clear indication has been given in the List of Voters as to who are entitled to vote at a particular Booth. This Form is provided for use of only those who wish to apply for a change, for which valid grounds will have to be provided in this Form and submitted within the specified time limit.)

To,  
Shri L.Gurumurthy  
Returning Officer,  
The Institute of Cost Accountants of India,  
CMA Bhawan,  
12 Sudder Street,  
Kolkata – 700 016.

Dear Sir,

Sub: Elections to the Council and Regional Councils, 2019

My name appears under Serial No. .... of the List of Voters of ..... India Regional Constituency. I hereby apply for permission to Vote —

At Polling Booth No----- Situated at-----

.....  
.....  
.....  
.....

I give below the necessary particulars:

1. Full Name .....
2. Membership No. ....
3. Name of Regional Constituency .....
4. Serial No. in the List of .....



**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



Voters

5. (a) Please state whether there has been a permanent change in your address from the one published in the Voters' List

- (b) If so, please state your present address in full

6. Distance from the allotted Polling Booth (if the address is beyond 50 Kilometers from the Polling Booth)

7. Reason for the Change requested

Date

Signature of the  
Member

Place

Membership  
No.





## ELECTIONS - 2019

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



### \*VERIFICATION

I, ....., hereby declare that the particulars given above are correct to the best of my knowledge and belief.

Date .....  
.....

Signature of the Member

Place.....

Membership No. ....

(DULY FILLED IN AND SIGNED HARD COPY OF THIS FORM IN ORIGINAL SHOULD BE SUBMITTED TO THE RETURNING OFFICER AT THE HEADQUARTERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA, CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016 LATEST WITHIN Monday, 29<sup>th</sup> April, 2019 up to 6:00 P.M.)

### ELECTION TO THE COUNCIL AND REGIONAL COUNCIL, 2019

#### NOTIFICATION

**Kolkata, 26<sup>th</sup> March, 2019**

#### **Election Expenses for Council Election**

**No.EL/2019/11B:** As per sub-rule of Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006, no candidate whose name has been included in the final list of nominations under Rule 15 of the said Rules, shall incur an expenditure above the amount fixed by Council at Rs.6,000,00/- (Rupees six lakh only).

Further, as per sub-rule (2) of Rule 41 of the Rules every candidate shall file an account of expenses incurred for the election in the enclosed format within 15 days of notification issued under Rule 36 (Notification of the declaration of results) of the Rules.

**L. Gurumurthy, Returning Officer**

Encl:- Format of Election Expenses



**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



**FORMAT FOR THE FILING ACCOUNT OF EXPENSES INCURRED BY THE  
 CANDIDATE DURING ELECTION TO THE COUNCIL – 2019**

[To be submitted within fifteen days of the date of declaration of the election result]

Shri L Gurumurthy,  
 Returning Officer,  
 The Institute of Cost Accountants of India,  
 CMA Bhawan,  
 12, Sudder Street,  
Kolkata – 700 016.

Dear Sir,

Re: Filing of account of expenses incurred for Election to the Council

In accordance with the provisions of Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006, I \_\_\_\_\_, a candidate for election to the Council from \_\_\_\_\_ India Regional Constituency, hereby file an account of expenses incurred by me in connection with the election to the Council of the Institute held in June, 2019.

Sl. No.	Item of Expenditure	Expenditure Incurred in (Rs.)
1.	Total Cost of Stationery including paper purchased for printing circular/manifesto, Visiting Cards/Pamphlet/Handout/Letters and the like.	
2.	Total Printing cost (excluding stationery cost as above).	
3.	Total cost of vehicle used (excluding cost of travel by air, train, bus and the like).	
4.	Total Travel cost.	
5.	Total cost of stay, food etc.	
6.	Total cost of Postage.	
7.	Total cost of Telephone, Mobile, SMS, Fax, E-mail and the like.	



## ELECTIONS - 2019

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



8.	Total cost of any other items not covered by the above. (please specify the names of items also)	
GRAND TOTAL –		

I have noted that the ceiling fixed by the Council under rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006 on election expenses (in aggregate under all possible heads) is Rs. 6.00 Lakhs (Rupees Six Lakhs only). Further, I have not incurred any expenditure as a candidate for the election other than those stated in the statement above.

I declare that the aforesaid statements of expenses are true to the best of my knowledge and belief.

Yours faithfully,

(Signature of the Candidate)

Place:

Name : \_\_\_\_\_

Membership No. : \_\_\_\_\_

Voters' Sl. No. : \_\_\_\_\_

Date:

Address : \_\_\_\_\_

### ELECTION TO THE COUNCIL AND REGIONAL COUNCIL, 2019

**Kolkata, 26<sup>th</sup> March, 2019**

#### **NOTIFICATION**

#### **Election Expenses for Regional Council Elections**

**No.EL/2019/11C:** As per sub-rule of Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006, no candidate whose name has been included in the final list of nominations under Rule 15 of the said Rules, shall incur an expenditure above the amount fixed by Council at Rs.3,50,00/- (Rupees three lakh fifty thousand only).

Further, as per sub-rule (2) of Rule 41 of the Rules every candidate shall file an account of expenses incurred for the election in the enclosed format within 15 days of notification issued under Rule 36 (Notification of the declaration of results) of the Rules.

**L. Gurumurthy, Returning Officer**

Encl:- Format of Election Expenses



**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



**FORMAT FOR THE FILING ACCOUNT OF EXPENSES INCURRED BY THE  
 CANDIDATE DURING ELECTIONS TO THE REGIONAL COUNCILS – 2019**

[To be submitted within fifteen days of the date of declaration of the election result]

Shri L Gurumurthy  
 Returning Officer,  
 The Institute of Cost Accountants of India,  
 CMA Bhawan,  
 12, Sudder Street,  
Kolkata – 700 016.

Dear Sir,

Re: Filing of account of expenses incurred for Elections to the  
 Regional Councils

In accordance with the provisions of Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006, I \_\_\_\_\_, a candidate for elections to the Regional Councils from \_\_\_\_\_ India Regional Council, hereby file an account of expenses incurred by me in connection with the elections to the Regional Councils of the Institute held in June, 2019.

Sl. No.	Item of Expenditure	Expenditure Incurred in (Rs.)
1.	Total Cost of Stationery including paper purchased for printing circular/manifesto, Visiting Cards/Pamphlet/Handout/Letters and the like.	
2.	Total Printing cost (excluding stationery cost as above).	
3.	Total cost of vehicle used (excluding cost of travel by air, train, bus and the like).	
4.	Total Travel cost.	
5.	Total cost of stay, food etc.	
6.	Total cost of Postage.	
7.	Total cost of Telephone, Mobile, SMS, Fax, E-mail and the like.	



## ELECTIONS - 2019

**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



8.	Total cost of any other items not covered by the above. (please specify the names of items also)	
GRAND TOTAL –		

I have noted that the ceiling fixed by the Council under rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006 on election expenses (in aggregate under all possible heads) is Rs. 3.50 Lakhs (Rupees Three Lakhs Fifty Thousand only). Further, I have not incurred any expenditure as a candidate for the election other than those stated in the statement above.

I declare that the aforesaid statements of expenses are true to the best of my knowledge and belief.

Yours faithfully,

(Signature of the Candidate)

Place:

Name : \_\_\_\_\_

Membership No. : \_\_\_\_\_

Voters' Sl. No. : \_\_\_\_\_

Date:

Address : \_\_\_\_\_

\_\_\_\_\_





**The Institute of Cost Accountants of India**  
**12, Sudder Street, Kolkata – 700 016.**



**ELECTION TO THE COUNCIL AND REGIONAL COUNCIL, 2019**

**Kolkata, 26<sup>th</sup> March, 2019**

**NOTIFICATION**

Duties of Election Observers in pursuance of sub-rule (1) of Rule 23 of The Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959.

**No. EL-2019/11D:** In pursuance of sub-rule (1) of Rule 23 of Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959, the duties of the election observers are as follows:

1. To monitor and report to the Returning Officer that the guidelines issued for election, particularly for polling booths as well as the counting venues and also in respect the Cost and Works Accountants Act, 1959 as amended, the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended and the Cost and Works Accountants Regulations, 1959 as amended and other applicable Acts, Rules and Regulations, are followed as per the said guidelines.
2. To perform their duties with respect to Code of Conduct issued by the Council of the Institute and also on the election expenses made by the contesting candidates. They shall report to the Returning Officer for the purpose.
3. To observe the polling, sorting and counting of votes and to monitor the fairness of the polling, sorting and counting procedures.
4. To ensure the impartiality of the persons in charge of the polling, sorting and counting of votes, and their commitment to the Cost and Works Accountants Act, 1959 as amended, the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended and the Cost and Works Accountants Regulations, 1959 as amended and other applicable Acts, Rules and Regulations.
5. To visit the geographical constituencies and polling and counting centres at any time without previous notice.
6. To attend all stages of the polling and counting, and particularly be present at the opening and closing of the ballot boxes.
7. To ascertain of the freedom and fairness of the elections and the secrecy of the polling, and write reports to the Returning Officer to that effect.
8. The observers shall not interfere in any manner with the work of the elections or the officials engaged therewith, provided that they may formulate questions verbally or in writing.



**ELECTIONS - 2019**

**The Institute of Cost Accountants of India  
12, Sudder Street, Kolkata – 700 016.**



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**ELECTION TO THE COUNCIL AND REGIONAL COUNCIL, 2019**

**Kolkata, 27<sup>th</sup> March, 2019**

**NOTIFICATION**

**CORRIGENDUM TO NOTIFICATION NO EL/2019/11C DATED 26<sup>TH</sup> MARCH 2019**

**Election Expenses for Regional Council Elections**

**No.EL/2019/11C/CORR/01:** Following Corrigendum is issued to the Notification No. EL/2019/11C dated 26<sup>th</sup> March, 2019:-

For : "Rs. 3,50,00/-"

Read: " Rs. 3,50,000/-"

**L. Gurumurthy, Returning Officer**



## The Institute of Cost Accountants of India

Kolkata, the 28<sup>th</sup> March, 2019

### NOTIFICATION

**No. EL-2019/12:** In pursuance of Rule 6 read with Schedule 2 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended, the Returning Officer of the Institute of Cost Accountants of India is pleased to publish the following list of members of the Institute in Western India Regional Constituency eligible to vote in the next elections to the Council of the Institute of Cost Accountants of India and to the Western India Regional Council to be held on 28<sup>th</sup> June 2019 vide Notifications dated 26<sup>th</sup> March, 2019 published in the Gazette of India.

### LIST OF VOTERS

#### Explanatory Notes

1. In the List of Voters, which is topographically arranged, the cities and towns in the region and the names of members in each city or town have been arranged alphabetically.
2. The letters 'FCMA' after a member's name denote that he is a Fellow member of the Institute and the letters 'ACMA' after a member's name denote that he is an Associate member of the Institute.
3. The figure in brackets given at the end of an entry is the Membership Number of the member.
4. Against the name of each city or town indication has been given whether the voting there would be by poll or by post.
5. The details of the email address of the voters who have given their express consent for inclusion in the Voter List, as per clause 2(iv) under Schedule 2 (Sub-rule (1) of Rule (2) of the Cost and Works Accountants (Election to the Council) Rules, 2006, have been indicated in the List of Voters.
6. In places where the voting is to be by poll, the number **B001, B002, B003, B004, B005, B006, B007, B008, B009, B010, B011, B012, B013, B014, B015, B016, B017, B018, B019, B020, B021, B022, B023, B024, B025, B026, B027, B028, B029, B030 and B031** indicated against the serial number of the entry relating to a voter is the number of the polling booth at which he will be required to cast his vote.



## The Institute of Cost Accountants of India

The Addresses of the Polling Booths in Western India Region Constituency are:	
B-001	Ahmedabad Chapter of Cost Accountants of India 402-403, Shoppers Plaza, Unit-III Opp. Municipal Market, C.G.Road, Navrangpura, Ahmedabad-380009
B-001	Ahmedabad Chapter of Cost Accountants of India 402-403, Shoppers Plaza, Unit-III Opp. Municipal Market, C.G.Road, Navrangpura, Ahmedabad-380009
B-002	PRAKASH HIGHER SECONDARY SCHOOL, AUROBINDO SOCIETY ROAD, NEAR SANDESH PRESS, BOKADEV, AHMEDABAD - 380054
B-003	Aurangabad Chapter of Cost Accountants of India CMA Bhawan, Flat No: A-9/10, Chetan Super Market, Trimurti Chowk, Jawahar Colony, Aurangabad-431005
B-004	Bharuch Ankleswar Chapter of Cost Accountants of India Sarvoday High School, GIDC Plot No.101/2 near Jaldhara Chaukadi, GIDC-Ankleshwar Bharuch -393002
B-005	Bhilai Chapter of Cost Accountants of India CMA Bhawan, Civic Centre, Bhilai-490006
B-006	The Bhopal School of Social Sciences, DRM Office, Hoshangabad Road, Near, Habibganj Naka, Opposite, Bhopal, Madhya Pradesh - 462024
B-007	C.M.D. P/G COLLEGE, LINK ROAD, BILASPUR – 495001
B-008	Indore-Dewas Chapter of Cost Accountants of India 303, Sham Tower, Near Hotel President, 164/2, R.N.T. Marg, Indore (M.P.)-452001
B-009	AJAY SATYA PRAKASH PUBLIC SCHOOL, Mouza Kewlari R.I. Circle Maharajpur Tehsil Panagar , District Jabalpur Jabalpur Madhya Pradesh - 483220
B-010	(SES) SWAMI HANSMUNI MAHARAJ DEGREE COLLEGE OF COMMERCE, NETAJI CHOWK, ULHASNAGAR - 421004



## The Institute of Cost Accountants of India

B-011	Kolhapur-Sangli Chapter of Cost Accountants of India 1170 'E' Ward Jyotichandra Apartment, Rajaram Road, Takala, Kolhapur-416001
B-012	WESTERN INDIA REGIONAL COUNCIL OF ICAI, ROHIT CHAMBERS, 4TH FLOOR, JANMABHOOMI MARG, FORT, MUMBAI - 400001
B-013	ARUNA MANHARLAL SHAH INSTITUTE OF MANAGEMENT & RESEARCH, MANEKLAL AMULKHRAI MEHTA MARG, NEAR MTNL EXCHANGE, OFF. LBS MARG, GHATKOPAR WEST, MUMBAI - 400086
B-014	SMT MITHIBAI MOTIRAM KUNDNANI COLLEGE OF COMMERCE & ECONOMICS, ADV. NARI GURSHANI ROAD, TPS III, OFF LINKING ROAD, BANDRA (WEST), MUMBAI - 400050
B-015	L. N. COLLEGE, SUMAN EDUCATION SOCIETY CAMPUS, PLOT NO. 89, GENERAL KARIAPPA BRIDGE, RAJENDRA NAGAR, BORIVALI EAST, MUMBAI - 400066
B-016	MULUND COLLEGE OF COMMERCE, NR. MULUND COURT, S. N. ROAD, MULUND (W), MUMBAI - 400080
B-017	PINGE'S CLASSES PVT. LTD. JANARDHAN BUILDING, NEAR IDEAL BOOK DEPOT, OPPOSITE CHHABLIDAS SCHOOL, NEAR SHRI KRISHNA WADA CENTER, DADAR (WEST), MUMBAI - 400028
B-018	MEHTA INSTITUTE, 202, B-LARAM CENTER, M. A. ROAD, NEAR ANDHERI RAILWAY STATION, ANDHERI (WEST), MUMBAI - 400058
B-019	Nagpur Chapter of Cost Accountants of India "CMA Bhawan" 243/3, Laxminagar, Nagpur-440022
B-020	G.E. SOCIETY'S B.Y.K. COLLEGE OF COMMERCE, PRIN. T.A. KULKARNI VIDYANAGAR, COLLEGE ROAD, NASHIK - 422005
B-021	Oriental Institute of Management, Plot No.149, Sector-12, Vashi, Navi Mumbai - 400703
B-022	Pimpri-Chinchwad Akurdi Chapter of Cost Accountants of India "CMA Bhawan", Plot No.12, Survey No. 36, Finolex Chowk, Opp. City International School, Pimpri Court Road, Morwadi, Pimpri, Pune-411018





**ELECTIONS - 2019**

## The Institute of Cost Accountants of India

B-023	Pune Chapter of Cost Accountants of India Laxminagar Commercial Complex, Phase-II, Shahu College Road, Parvati, Pune-411009
B-024	Pune Chapter of Cost Accountants of India CMA Bhawan, Sr. No. 22, Hissa No. 1 + 2/2B, CTS No. 323, Canal Road, Near Vikas Mitra Mandal Karve Nagar Road, Near Cummins College, Pune - 411052
B-025	MAHARAJA AGRASEN INTERNATIONAL COLLEGE, SREE RAMNATH BHIMSEN BHAVAN MARG, SAMATA COLONY, RAIPUR - 492001
B-026	Vindhyannagar Chapter of Cost Accountants of India Russian Complex, NTPC Township, P.O.-Vindhyannagar, Distt-Singrauli, (M.P.)-486885
B-027	HIRACHAND NEMCHAND COLLEGE OF COMMERCE, WALCHAND HIRACHAND MARG, ASHOK CHOWK, SOLAPUR - 413006
B-028	Surat-South Gujarat Chapter of Cost Accountants of India CMA Bhawan, 103-Ritz Square, Above Ajay Vijay Jewellers Near Indoor Stadium, Ghod Dod Road, Surat-395007
B-029	SATISH PRADHAN DNYANASADHANA COLLEGE (ARTS, SCIENCE & COMMERCE), OFF EASTERN EXPRESS HIGHWAY, DNYANASADHANA ROAD, THANE - 400604
B-030	Baroda Chapter of Cost Accountants of India 242, Phonix Complex, Nr. Suraj Plaza, Sayajigunj, Vadodara-390005
B-031	KBS COMMERCE & NATARAJ PROFESSIONAL SCIENCE COLLEGE, CHANOD COLONY, NAKA, SILVASSA ROAD, GIDC, VAPI - 396195

L.Gurumurthy  
Returning Officer



## The Institute of Cost Accountants of India

Kolkata, the 28<sup>th</sup> March, 2019

### NOTIFICATION

**No. EL-2019/12:** In pursuance of Rule 6 read with Schedule 2 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended, the Returning Officer of the Institute of Cost Accountants of India is pleased to publish the following list of members of the Institute in Southern India Regional Constituency eligible to vote in the next elections to the Council of the Institute of Cost Accountants of India and to the Southern India Regional Council to be held on 28<sup>th</sup> June 2019 vide Notifications dated 26<sup>th</sup> March, 2019 published in the Gazette of India.

### LIST OF VOTERS Explanatory Notes

1. In the List of Voters, which is topographically arranged, the cities and towns in the region and the names of members in each city or town have been arranged alphabetically.
2. The letters 'FCMA' after a member's name denote that he is a Fellow member of the Institute and the letters 'ACMA' after a member's name denote that he is an Associate member of the Institute.
3. The figure in brackets given at the end of an entry is the Membership Number of the member.
4. Against the name of each city or town indication has been given whether the voting there would be by poll or by post.
5. The details of the email address of the voters who have given their express consent for inclusion in the Voter List, as per clause 2(iv) under Schedule 2 (Sub-rule (1) of Rule (2) of the Cost and Works Accountants (Election to the Council) Rules, 2006, have been indicated in the List of Voters.
6. In places where the voting is to be by poll, the number **B-032, B033, B034, B035, B036, B037, B038, B039, B040, B041, B042, B043, B044, B045, B046, B047, B048, B049, B050, B051, B052, B053, B054, B055, B056, B057, B058, B059, B060, B061, B062, B063, B064, B065, B066, B067, B068, B069, B070, B071, B072, B073, B074, B075, B076 and B077** indicated against the serial number of the entry relating to a voter is the number of the polling booth at which he will be required to cast his vote.



## ELECTIONS - 2019

### The Institute of Cost Accountants of India

The Addresses of the Polling Booths in Southern India Region Constituency are:	
B-032	P V K K Institute of Technology, Sanapa Road, Rudrampet Anantapuramu - 515001
B-033	THE NATIONAL COLLEGE (AUTONOMOUS), 36TH CROSS, 7TH BLOCK, JAYANAGAR, BANGALORE - 560070
B-034	Bengaluru Chapter of Cost Accountants of India No.81, Mallikarjuna Temple Street, Basavanagudi, Bengaluru-560004
B-035	INSTITUTION OF AGRICULTURAL TECHNOLOGISTS, NO. 15, QUEENS ROAD, BENGALURU - 560052
B-036	ALUMNI ASSOCIATION UNIVERSITY OF AGRICULTURAL SCIENCES, HEBBAL, BENGALURU - 560024
B-037	ST. JOSEPH'S COLLEGE (AUTONOMOUS), DEVAGIRI, CALICUT, KERALA - 673008
B-038	CMA BHAWAN, 4, MONTIETH LANE, EGMORE, CHENNAI - 600008
B-039	VELS UNIVERSITY, VELAN NAGAR P. V., VAITHIYALINGAM ROAD, PALLAVARAM, CHENNAI - 600117
B-040	DR. MGR JANAKI COLLEGE OF ARTS & SCIENCE FOR WOMEN, "SATHYA BAMA MGR MALIGAI" 11 & 13 DUGABAI DESHMUK ROAD, RAJA ANNAMALAI PURAM, CHENNAI - 600028
B-041	DHANRAJ BAID JAIN COLLEGE (AUTONOMOUS), IT CORRIDOR, OMR, THORAIPAKKAM, CHENNAI - 600097
B-042	GOKHALE SHASTRI INSTITUTE, SHANMUGASUNDARAM HALL, 16, KARPAGAMBAL NAGAR, MYLAPORE, CHENNAI - 600004
B-043	THE INDUSTRIAL ESTATE MANUFACTURER'S ASSOCIATION, NO. 10 R V TOWERS, GROUND FLOOR, GST ROAD, (ADJUNCT TO SBI SISI), GUINDY, CHENNAI - 600032
B-044	Cochin Chapter of Cost Accountants of India 64/795, CMA Bhavan, Judges' Avenue, Kaloore, Cochin- 682017
B-045	Coimbatore Chapter of Cost Accountants of India 13-14, Third Floor. S.F.I. Apartment, Sathyamoorthy Road. Ramnagar, Coimbatore - 641009
B-046	ERODE CHRISTIAN COLLEGE OF ARTS & SCIENCE FOR WOMEN, ERODE NO. 1, C.S.I. COMPOUND, BROUGH ROAD, ERODE - 638001
B-047	ST. JOSEPH'S COLLEGE OF EDUCATION FOR WOMEN, 2ND LANE, SAMBASIVAPET, NEAR NAAZ CENTRE, GUNTUR - 522001



## The Institute of Cost Accountants of India

B-048	M.G.R. College (Arts and Science), Krishnagiri dist, Hosur - 635130
B-049	HYDERABAD CENTER FOR EXCELLENCE, PLOT NO. 35, FINANCIAL DISTRICT, NANAKRAMGUDA VILLAGE, SERILINGAMPALLY MANDAL, GACHIBOWLI, RANGA REDDY DISTRICT, HYDERABAD - 500032
B-050	A V COLLEGE OF ARTS SCIENCE AND COMMERCE, GAGANMAHAL, HYDERABAD - 500029
B-051	Hyderabad Chapter of Cost Accountants of India 1-2-56/44A, Street No.5, Himayatnagar, Hyderabad-500029
B-052	ST. JOSEPH'S DEGREE & P G COLLEGE, MAIN CAMPUS, 5-9-1106, KING KOTI MAIN ROAD, ADJ. BHARATIYA VIDYA BHAVANS AUDITORIUM, HYDERABAD - 500029
B-053	GITAMS, 56/289, ITI Circle, Akkayapalli, Kadapa - 516003
B-054	CHN EDUCATIONAL COMPLEX, COLLEGE OF COMMERCE, NEAR OLD BUS STAND, KANNUR - 670001
B-055	APOORVA DEGREE COLLEGE, H. NO. 7-4-422/14, NEAR GHETHABHAVAN HOTEL, MUKARAMPURA, KARIMNAGAR, TELANGANA - 505001
B-056	KERALA ACADEMY FOR MANAGEMENT STUDIES, NNC Estate, Pallimukku, Kollam, Kerala
B-057	Kottayam Chapter of Cost Accountants of India Reliable Buildings, Behind Mammen Mappila Hall, K.K.Road, Kottayam-686001
B-058	Madurai Chapter of Cost Accountants of India 6, North Vadambokki Street, Madurai-625001
B-059	SHRI DHARMASTHALA MANJUNATHESWARA LAW COLLEGE & CENTRE FOR POST GRADUATE STUDIES & RESEARCH IN LAW, KODIALBAIL, MANGALORE - 575003
B-060	Mysore Chapter of Cost Accountants of India # 1420, 7th Cross, Krishnamurthypuram, Mysore-570004
B-061	Nellore Chapter of Cost Accountants of India # 18-1-24, Old Post Office Road, Wahabpet, Nellore-524003
B-062	KENDRIYA VIDYALAYA NLC, BLOCK-3, VIVEKANANDA SALAI, NEYVELI TOWNSHIP, CUDDALORE DIST., NEYVELI - 607801
B-063	Palakkad Chapter of Cost Accountants of India 187 (4), Sekharipuram, Kalpathy Palakkad-678003
B-064	TAGORE GOVT. ARTS & SCIENCE COLLEGE, LAWSPET, PUDUCHERRY - 605008



## ELECTIONS - 2019

### The Institute of Cost Accountants of India

B-065	Godavari Chapter of Cost Accountants of India 46-7-16, 2ND Floor, Near Danavaipeta park, Danavaipeta, Rajahmundry-533101
B-066	Salem Chapter of Cost Accountants of India Access Point Building, 5/324 Thirugnana Sambanthar street, State Bank Colony, Junction Main Road, Salem-636004
B-067	YMCA, SARDAR PATEL ROAD, NEAR CLOCK TOWER, SECUNDERABAD, TELANGANA - 500003
B-068	VSR & NVR College, Tenali - 522201
B-069	Tiruchirappalli Chapter of Cost Accountants of India No.48,Bharathidasan, Salai, Cantonment, Tiruchirappalli-620001
B-070	Trivandrum Chapter of Cost Accountants of India CMA Bhawan, T.C. 22/87, Jawahar Lane, Vellayambalam, Trivandrum - 695010
B-071	Thrissur Chapter of Cost Accountants of India CMA Bhawan, TC-37/1879/1, Kottappuram Road, Thrissur-680004
B-072	ST. XAVIER'S COLLEGE (AUTONOMOUS), PALAYAMKOTTAI, TIRUNELVELI - 627002
B-073	Emerald Advanced Institute of Management studies (EAIMS), Kodandaramapuram, Ramachandrauram, Durgasamudram,Tirupati - 517561
B-074	Ranipet Vellore Chapter of Cost Accountants of India No.16, Bharathi Nagar, 3rd Main Road, Opposite Balaji Theatre, Katpadi, Vellore-632007
B-075	Vijayawada Chapter of Cost Accountants of India 58-6-14, Karanamgari Street, Mahathma Gandhi Road, Patamat, Vijayawada (A.P.)-520010
B-076	Visakhapatnam Chapter of Cost Accountants of India CMA Bhawan D.No.49-38-14/4(1),Opp: Port Stadium NH-5, Akkayyapalem, Visakhapatnam-530016
B-077	ITM GROUP OF INSTITUTIONS, H No.23-6-79, Opp. APSRTC Tyre Unit, Near Raj Hotel, Hunter Road, Warangal, Telangana - 506001

L. Gurumurthy  
Returning Officer





## The Institute of Cost Accountants of India

Kolkata, the 28<sup>th</sup> March, 2019

### NOTIFICATION

**No. EL-2019/12** : In pursuance of Rule 6 read with Schedule 2 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended, the Returning Officer of the Institute of Cost Accountants of India is pleased to publish the following list of members of the Institute in Eastern India Regional Constituency eligible to vote in the next elections to the Council of the Institute of Cost Accountants of India and to the Eastern India Regional Council to be held on 28<sup>th</sup> June 2019 vide Notifications dated 26<sup>th</sup> March, 2019 published in the Gazette of India.

### LIST OF VOTERS

#### Explanatory Notes

1. In the List of Voters, which is topographically arranged, the cities and towns in the region and the names of members in each city or town have been arranged alphabetically.
2. The letters 'FCMA' after a member's name denote that he is a Fellow member of the Institute and the letters 'ACMA' after a member's name denote that he is an Associate member of the Institute.
3. The figure in brackets given at the end of an entry is the Membership Number of the member.
4. Against the name of each city or town indication has been given whether the voting there would be by poll or by post.
5. The details of the email address of the voters who have given their express consent for inclusion in the Voter List, as per clause 2(iv) under Schedule 2 (Sub-rule (1) of Rule (2) of the Cost and Works Accountants (Election to the Council) Rules, 2006, have been indicated in the List of Voters.
6. In places where the voting is to be by poll, the number **B078, B079, B080, B081, B082, B083, B084, B085, B086, B087, B088, B089, B090, B091, B092, B093, B094, B095, B096, B097, B098, B099, B100, B101, B102, B103, B104, B105, B106, B107, B108, B109, and B110** indicated against the serial number of the entry relating to a voter is the number of the polling booth at which he will be required to cast his vote.



## The Institute of Cost Accountants of India

The Addresses of the Polling Booths in Eastern India Region Constituency are:	
B-078	Asansol Chapter of Cost Accountants of India CMA Bhawan, Rajpara, Budha, P.O. Asansol, Dist.- Burdwan, West Bengal-713301
B-079	FAKIR MOHAN UNIVERSITY, VYASA VIHAR (OLD CAMPUS), NEAR REMUNA GOLEI, BALASORE - 756019
B-080	South-Odisha Chapter of Cost Accountants of India CMA Bhawan, Giri Road, Near-Geeta Bhawan, Berhampur-760005, Ganjam, Odisha
B-081	BHADRAK WOMEN'S COLLEGE, Buddha Vihar, Bhadrak, Odisha - 756100
B-082	Bhubaneswar Chapter of Cost Accountants of India CMA Bhawan, A/122/2, Nayapalli, Nilaknatha Nagar, Bhubaneswar-751012
B-083	REGIONAL COLLEGE OF MANAGEMENT, Plot No. GD 2/12 & 13, Chakadola Vihar, District Centre, Chandrasekharapur, Bhubaneswar, Odisha - 751023
B-084	Bokaro Steel City Chapter of Cost Accountants of India CMA Bhawan, Institutional Area, Sector-5, Bokaro Steel City, Distt. Bokaro - 827006
B-085	CYBER RESEARCH & TRAINING INSTITUTE, TINKONIA, GOODS SHED ROAD, BURDWAN - 1
B-086	KHALISANI VIDYAMANDIR, KHALISANI COLLEGE ROAD, CHANDANNAGAR, HOOGHLY - 712138
B-087	SHAILABALA WOMENS (AUTO) COLLEGE, MISSION ROAD, BUXIBAZAR, CUTTACK - 753001
B-088	Dhanbad-Sindri Chapter of Cost Accountants of India CMA Bhawan Saraidhel; A Dhanbad, Jharkhand - 828127
B-089	DULIAJAN COLLEGE, PO- DULIAJAN, DIST- DIBRUGARH, ASSAM - 786602
B-090	Durgapur Chapter of Cost Accountants of India CMA Bhawan, Nehru Avenue, B-Zone, Durgapur-713205
B-091	S K HAZARIKA COLLEGE, 2ND FLOOR, R. G. BARAUAH ROAD, GUWAHATI - 781005
B-092	ANNADA COLLEGE, COURT ROAD, HAZARIBAG - 825301
B-093	MEARBERH RAMKRISHNA SIKHSA NIKETAN, PO+DIST- HOOGHLY, CHINSURAH - 712103
B-094	Howrah Chapter of Cost Accountants of India CMA Bhawan, 1/2, Baje Shibpur Road, Howrah-711102



## The Institute of Cost Accountants of India

B-095	INDIRA GANDHI MAHILA DEGREE MAHAVIDYALAYA, JAIPUR ROAD, JAIPUR - 755019
B-096	Jamshedpur Chapter of Cost Accountants of India 19, Russi Mody Centre of Excellence, Jamshedpur - 831001
B-097	BLACK DIAMOND COLLEGE OF ENGINEERING & TECHNOLOGY, AT - BALIJORI, L&T BYPASS ROAD, POST BOX NO. 21, DIST. JHARSUGUDA, ODISHA - 768201
B-098	DINABANDHU SAHU LAW COLLEGE, PO- THAKURPATNA, DIST- KENDRAPARA, ODISHA - 754250
B-099	CMA BHAWAN, 12 SUDDER STREET, KOLKATA - 700016
B-100	EASTERN INDIA REGIONAL COUNCIL OF ICAI, CMA BHAWAN, 84, HARISH MUKHERJEE ROAD, KOLKATA - 700025
B-101	SARADA PRASAD INSTITUTION, 108/18 BIDHAN NAGAR ROAD, KOLKATA - 700067
B-102	MITRA INSTITUTION, 60B, SURYA SEN STREET, KOLKATA - 700009
B-103	INSTITUTE OF MANAGEMENT STUDY, 93 MUKUNDAPUR, MAIN ROAD, KOLKATA - 700099
B-104	BHARATIYA VIDYA BHAVAN INSTITUTE OF MANAGEMENT SCIENCE, BLOCK : FA, SECTOR-III, SALT LAKE CITY, KOLKATA - 700097
B-105	CHITTARANJAN COLLEGE, 8A, BENIATALA LANE, MAHATMA GANDHI ROAD, BESIDE ALLAHABAD BANK, KOLKATA - 700009
B-106	THE GREEN VALLEY SCHOOL, TEJ PRATAP NAGAR, NEW BYE PASS ROAD, ANISABAD, PATNA - 800002
B-107	Ranchi Chapter of Cost Accountants of India 303, Giridhar Plaza, Harmu Road, Near Ratu Road Chowk, Opp Goshala, Ranchi - 834001
B-108	Rourkela Chapter of Cost Accountants of India CMA Bhawan, Sector-17, Rourkela-769003
B-109	DREAMLAND PLAY SCHOOL, IN FRONT OF GAYATRI MANDIR, KAMLIBAZAR, SAMBALPUR - 768003
B-110	BALLAVPUR HIGH SCHOOL, 47 DEY STREET, SERAMPORE, HOOGHLY - 712201

L. Gurumurthy  
Returning Officer



**ELECTIONS - 2019**

## **The Institute of Cost Accountants of India**

Kolkata, the 28<sup>th</sup> March, 2019

### **NOTIFICATION**

**No. EL-2019/12:** In pursuance of Rule 6 read with Schedule 2 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended, the Returning Officer of the Institute of Cost Accountants of India is pleased to publish the following list of members of the Institute in Northern India Regional Constituency eligible to vote in the next elections to the Council of the Institute of Cost Accountants of India and to the Northern India Regional Council to be held on 28<sup>th</sup> June 2019 vide Notification dated 26<sup>th</sup> March, 2019 published in the Gazette of India.

### **LIST OF VOTERS**

#### **Explanatory Notes**

1. In the List of Voters, which is topographically arranged, the cities and towns in the region and the names of members in each city or town have been arranged alphabetically.
2. The letters 'FCMA' after a member's name denote that he is a Fellow member of the Institute and the letters 'ACMA' after a member's name denote that he is an Associate member of the Institute.
3. The figure in brackets given at the end of an entry is the Membership Number of the member.
4. Against the name of each city or town indication has been given whether the voting there would be by poll or by post.
5. The details of the email address of the voters who have given their express consent for inclusion in the Voter List, as per clause 2(iv) under Schedule 2 (Sub-rule (1) of Rule (2) of the Cost and Works Accountants (Election to the Council) Rules, 2006, have been indicated in the List of Voters.
6. In places where the voting is to be by poll, the number **B111, B112, B113, B114, B115, B116, B117, B118, B119, B120, B121, B122, B123, B124, B125, B126, B127, B128, B129, B130, B131, B132, B133, B134, B135, B136, B137, B138, B139, B140, B141, B142 and B143** indicated against the serial number of the entry relating to a voter is the number of the polling booth at which he will be required to cast his vote.



## The Institute of Cost Accountants of India

The Addresses of the Polling Booths in Northern India Region Constituency are:	
B-111	PUSHPANJALI COLLEGE OF NURSING, 100 FEET ROAD, NAGALA BUDHI, INFRONT OF PUSHPANJALI HEIGHT DAYAL BAGH, AGRA - 282005
B-112	Allahabad Chapter of Cost Accountants of India D-895 G.T.B. Nagar Kareli Scheme, Allahabad -211016
B-113	SHRI SHANTI JAIN SECONDARY SCHOOL, PIPLIA BAZAR, BEAWAR - 305901
B-114	M.L.V. GOVT. COLLEGE, VAKIL COLONY, KASHIPURI, BHILWARA - 311001
B-115	GOVT. COLLEGE OF ENGG. & TECHNOLOGY, KARNI INDUSTRIAL AREA, PUGAL ROAD, BIKANER - 334004
B-116	GOSWAMI GANESH DUTTA SD COLLEGE, SECTOR 32-C, CHANDIGARH - 160030
B-117	SANATAN DHARAM INTER COLLEGE (BANNU), RACE COURSE, NEAR POLICE LINE, DEHRADUN - 248001
B-118	ADARSH BAL VIDYA KENDRA SR. SECONDARY SCHOOL, OPP. SECTOR-29, SABZI MANDI, BHOOR COLONY, OLD FARIDABAD - 121002
B-119	HOLY ANGEL'S PUBLIC SCHOOL, NEAR KAVI NAGAR POLICE STATION, KAVI NAGAR, GHAZIABAD - 201002
B-120	HUDA GYMKHANA CLUB, 1 BEHIND HUDA MARKET, SECTOR - 4, GURGAON, HARYANA - 122006
B-121	Hardwar-Rishikesh Chapter of Cost Accountants of India Room No. 1, HRDC, BHEL, Ranipur, Haridwar - 249403
B-122	Jaipur Chapter of Cost Accountants of India CMA Bhawan, 3-A, Institutional Area, Jhalana, Doongri, Jaipur-302004
B-123	ASHA VIDYAMANDIR, 42 LAJPAT NAGAR, JALANDHAR – 144001
B-124	GOVT. SRI RANBIR MODEL HR. SEC. SCHOOL, PARADE GROUND, JAMMU – 180001
B-125	Jodhpur Chapter of Cost Accountants of India 24 B, Near Railway Track, Mohanpura, Jodhpur-342001





## The Institute of Cost Accountants of India

B-126	Kanpur Chapter of Cost Accountants of India 7/147 Swaroop Nagar, Kanpur-208002
B-127	Kota Chapter of Cost Accountants of India C6, Basant Vihar, Kota-324009
B-128	Lucknow Chapter of Cost Accountants of India SCO 23-24, 2nd Floor, LIC Building, Model Town Extension, Block-D, Dugri Road, Opp Hotel Grand Marrian, Next to Libra Bus Service & Hotel Silver Stone, Ludhiana, Punjab – 141002
B-129	GUJRANWALA GURU NANAK INSTITUTE OF MANAGEMENT & TECHNOLOGY, CIVIL LINES, LUDHIANA, PUNJAB – 141001
B-130	SANATAN DHARAM INTER COLLEGE, W END RD, MEERUT CANTT., MEERUT – 250001
B-131	Rotary Bhawan Plot No. 1, Institutional Area Sector-70, S.A.S Nagar, District Mohali - 160071.
B-132	CMA BHAWAN, 3, INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI – 110003
B-133	DOON PUBLIC SCHOOL, B-2, PASHIM BIHAR, NEAR LAXMI NARAYAN MANDIR, DELHI – 110063
B-134	SATYAVATI SOOD ARYA GIRLS SR. SEC. SCHOOL, NIZAMUDDING EAST, NEW DELHI – 110013
B-135	BHARTI PUBLIC SCHOOL, MAYUR VIHAR, PHASE-III, DELHI – 110096
B-136	S.D. EDUCATION SOCIETY (REGD.), C/O. J.V.S.D. GIRLS SR. SEC. SCHOOL, D-2, LINK ROAD, OPP. HANUMANJI STATUE, KAROL BAGH, NEAR JHANDEWALAN METRO STATION, NEW DELHI – 110005
B-137	DTEA, Sr.Secondary School, B-1, Janak Puri, New Delhi -110058
B-138	CMA BHAWAN, C-42, Sector 62, NOIDA-201301
B-139	MULTANI MAL MODI COLLEGE, NEAR SUNAMI GATE, PATIALA – 147001
B-140	VIVEKANANDA MEMORIAL ACADEMY, 21 MANGAL NAGAR, SAHARANPUR – 247001
B-141	HINDU COLLEGE (BOYS), ROHTAK ROAD, HARYANA
B-142	Udaipur Chapter of Cost Accountants of India 127-Sector-11, Hiran Magri, Udaipur-313001
B-143	SHEPA COLLEGE, (NEAR DPS VARANASI), NIBIA, BACHCHAON, VARANASI – 221011

L. Gurumurthy  
Returning Officer



Kolkata, the 28th March, 2019

**NOTIFICATION**

**CORRIGENDUM TO NOTIFICATION NO.EL-2019/12 DATED 28<sup>TH</sup> MARCH, 2019  
PUBLISHED IN LIST OF VOTERS AND CD**

No. EL-2019/12/CORR/01: The addresses of Polling Booths in respect of Booths B-128, B-129 and B-141 published in page Nos.XII and XIII of the List of Voters and CD in respect of Northern India Regional Constituency may be read as below:

B-128	Lucknow Chapter of The Institute of Cost Accountants of India CMA Bhawan, Vikas Khand-I, Gomti Nagar, Lucknow-226010
B-129	Ludhiana Chapter of The Institute of Cost Accountants of India SCO 23-24, 2nd Floor, LIC Building, Model Town Extension, Block-D, Dugri Road, Opp Hotel Grand Marrian, Next to Libra Bus Service & Hotel Silver Stone, Ludhiana, Punjab – 141001
B-141	Hindu College (Boys) Rohtak Road, Sonipat, Haryana

L.Gurumurthy  
Returning Officer



## EXAMINATION JUNE 2019

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

### EXAMINATION TIME TABLE & PROGRAMME – JUNE 2019

#### FOUNDATION COURSE EXAMINATION

Day & Date	Foundation Course Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.
Tuesday, 11th June, 2019	Fundamentals of Economics & Management
Wednesday, 12th June, 2019	Fundamentals of Accounting
Thursday, 13th June, 2019	Fundamentals of Laws & Ethics
Friday, 14th June, 2019	Fundamentals of Business Mathematics & Statistics

#### Examination Fees

Foundation Course Examination	Inland Centres	₹ 1200/-
	Overseas Centres	US \$ 60

- The Foundation Examination will be conducted in Offline, descriptive (Pen & Paper) mode only. Each paper will be of 100 marks and for 3 hours duration.**
- Application Forms for Foundation Examination has to be filled up through online and fees will be accepted through online mode (including Payfee Module of IDBI Bank).
- STUDENTS OPTING FOR OVERSEAS CENTRES HAVE TO APPLY OFFLINE AND SEND DD ALONGWITH THE FORM.
- (a) Students can login to the website [www.icmai.in](http://www.icmai.in) and apply online through payment gateway by using Credit/Debit card or Net banking.  
(b) Students can also pay their requisite fee through pay-fee module of IDBI Bank.
- Last date for receipt of Examination Application Forms is 10<sup>th</sup> April, 2019.**
- Examination Centres: Adipur-Kachchh(Gujarat), Agartala, Agra, Ahmedabad, Akurdi, Allahabad, Asansol, Aurangabad, Bangalore, Baroda, Berhampur(Ganjam), Bhilai, Bhilwara, Bhopal, Bewar City(Rajasthan), Bhubaneswar, Bilaspur, Bokaro, Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dhanbad, Duliajan (Assam), Durgapur, Ernakulam, Erode, Faridabad, Ghaziabad, Guntur, Guwahati, Haridwar, Hazaribagh, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kalyan, Kannur, Kanpur, Kolhapur, Kolkata, Kota, Kottakkal (Malappuram), Kottayam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Naihati, Nasik, Nellore, Neyveli, Noida, Palakkad, Panaji (Goa), Patiala, Patna, Pondicherry, Port Blair, Pune, Raipur, Rajahmundry, Ranchi, Rourkela, Salem, Sambalpur, Shillong, Siliguri, Solapur, Srinagar, Surat, Thrissur, Tiruchirapalli, Tirunelveli, Trivandrum, Udaipur, Vapi, Vashi, Vellore, Vijayawada, Vindhyannagar, Waltair and Overseas Centres at Bahrain, Dubai and Muscat.
- A candidate who is completing all conditions for appearing the examination as per Regulation will only be allowed to appear for examination.**
- Probable date of publication of result: 23<sup>rd</sup> August, 2019.**

\* For any examination related query, please contact [exam.helpdesk@icmai.in](mailto:exam.helpdesk@icmai.in)

**L. Gurumurthy**  
Secretary (Acting)



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

**INTERMEDIATE AND FINAL EXAMINATION TIME TABLE & PROGRAMME – JUNE 2019**

PROGRAMME FOR SYLLABUS 2016				
ATTENTION: INTERMEDIATE & FINAL EXAMINATION (JUNE – 2019 TERM) WILL BE HELD ON ALTERNATE DATES FOR EACH GROUP.				
Day & Date	INTERMEDIATE (Time: 2.00 P.M. to 5.00 P.M.)		FINAL (Time: 2.00 P.M. to 5.00 P.M.)	
	(Group – I)	(Group – II)	(Group – III)	(Group – IV)
Tuesday, 11th June, 2019	Financial Accounting (P-05)	-----	Corporate Laws & Compliance (P-13)	-----
Wednesday, 12th June, 2019	-----	Operations Management & Strategic Management (P-09)	-----	Corporate Financial Reporting (P-17)
Thursday, 13th June, 2019	Laws & Ethics (P-06)	-----	Strategic Financial Management (P-14)	-----
Friday, 14th June, 2019	-----	Cost & Management Accounting and Financial Management (P-10)	-----	Indirect Tax Laws & Practice (P-18)
Saturday, 15th June, 2019	Direct Taxation (P-07)	-----	Strategic Cost Management – Decision Making (P-15)	-----
Sunday, 16th June, 2019	-----	Indirect Taxation (P-11)	-----	Cost & Management Audit (P-19)
Monday, 17th June, 2019	Cost Accounting (P-08)	-----	Direct Tax Laws and International Taxation (P-16)	-----
Tuesday, 18th June, 2019	-----	Company Accounts & Audit (P-12)	-----	Strategic Performance Management and Business Valuation (P-20)

**EXAMINATION FEES**

Group (s)	Final Examination	Intermediate Examination
One Group (Inland Centres) (Overseas Centres)	₹1400/- US \$ 100	₹1200/- US \$ 90
Two Groups (Inland Centres) (Overseas Centres)	₹2800/- US \$ 100	₹2400/- US \$ 90

- Application Forms for Intermediate and Final Examination has to be filled up through online only and fees will be accepted through online mode only (including Payfee Module of IDBI Bank). No Offline form and DD payment will be accepted for domestic candidate.
- STUDENTS OPTING FOR OVERSEAS CENTRES HAVE TO APPLY OFFLINE AND SEND DD ALONGWITH THE FORM.
- (a) Students can login to the website [www.icmai.in](http://www.icmai.in) and apply online through payment gateway by using Credit/Debit card or Net banking.  
(b) Students can also pay their requisite fee through pay-fee module of IDBI Bank.
- Last date for receipt of Examination Application Forms is 10<sup>th</sup> April, 2019.
- The provisions of direct tax laws and indirect tax laws, as amended by the Finance Act, 2018, including notifications and circulars issued up to 30<sup>th</sup> November, 2018, are applicable for June, 2019 term of examination for the Subjects Direct Taxation, Indirect Taxation (Intermediate), Direct Tax laws and International Taxation and Indirect Tax laws & Practice (Final) under Syllabus 2016. The relevant assessment year is 2019-20. For statutory updates and amendments please refer to <http://icmai.in/studentswebsite/Syl-2016.php>
- Companies (Cost Records and Audit) Rules, 2014 as amended till 30<sup>th</sup> November, 2018 is applicable for June, 2019 examination for Paper 12- Company Accounts and Audit (Intermediate) and Paper 19-Cost and Management Audit (Final) under Syllabus 2016.
- The provisions of the Companies Act 2013 are applicable for Paper 6- Laws and Ethics (Intermediate) and Paper 13- Corporate Laws and Compliance (Final) under Syllabus 2016 to the extent notified by the Government up to 30<sup>th</sup> November, 2018 for term of examination.
- For Applicability of IND\_AS and amended AS for paper 5- Financial Accounting and Paper 12- Company Accounts and Audit (Intermediate) and Paper 17- Corporate Financial Reporting (Final) refer to relevant circular in website for June, 2019 term examination. Please refer to <http://icmai.in/studentswebsite/Syl-2016.php>
- Pension Fund Regulatory and Development Authority Act, 2013 is being included in Paper 6- Laws and Ethics (Intermediate) and Insolvency and Bankruptcy Code 2016 is being included in Paper 13- Corporate Laws and Compliance (Final) under Syllabus 2016 for term of examination. For further clarification visit our website [www.icmai.in](http://www.icmai.in)
- Examination Centres: Adipur-Kachchh (Gujarat), Agartala, Agra, Ahmedabad, Akurdi, Allahabad, Asansol, Aurangabad, Bangalore, Baroda, Berhampur (Ganjam), Bhilai, Bhubaneswar, Bhopal, Bhubaneswar, Bhubaneswar, Bilaspur, Bikaner, Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dhanbad, Durgam, Ernakulam, Erode, Faridabad, Ghaziabad, Guntur, Guwahati, Haridwar, Hazarbagh, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jamnagar, Jamshedpur, Jodhpur, Kalyan, Kannur, Kanpur, Kolhapur, Kolkata, Kota, Kottakkal (Malappuram), Kottayam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Naitathi, Nasik, Nellore, Neyveli, Noida, Palakkad, Panaji (Goa), Patiala, Patna, Pondicherry, Port Blair, Pune, Raipur, Rajahmundry, Ranchi, Rourkela, Salem, Sambalpur, Shillong, Siliguri, Solapur, Srinagar, Surat, Thrissur, Tiruchirappalli, Tirunelveli, Tiruvandrum, Udaipur, Vapi, Vashi, Vellore, Vijayawada, Vindhyavanagar, Waltair and Overseas Centres at Bahrain, Dubai and Muscat.
- A candidate who is fulfilling all conditions specified for appearing in examination will only be allowed to appear for examination.
- Probable date of publication of result: Inter & Final – 23<sup>rd</sup> August, 2019.

\* For any examination related query, please contact [exam.helpdesk@icmai.in](mailto:exam.helpdesk@icmai.in)

L. Gurumurthy  
Secretary (Acting)



# नए साल की सही शुरुआत सिर्फ Marg ERP के साथ

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Reconciliation  
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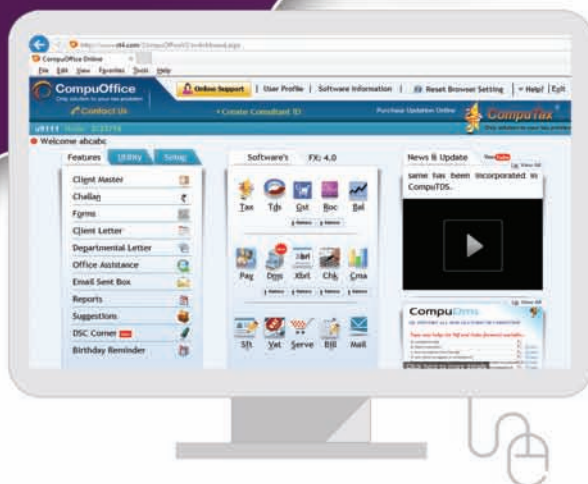


Mobile Apps for  
Salesmen, Retailers  
& Owners

Create great client success stories with Marg



# Simplifying Taxation...



## CompuTax

Most extensively used Income Tax Return Filing software in India.



## CompuTds

Fully automated with validations & pre-scrutiny for error free TDS returns.



## CompuGst

Simplified solution for complicated GST compliances.



## CompuRoc

Solution for MCA reporting & statutory compliances



## CompuBal

Comprehensive software for preparation of Audit Reports & Financial Statements.



## CompuDms

Document Management with cloud facility & mobile app.



## CompuXbrl

Makes XBRL filing easy with various features.



## CompuChk

Unique software for checking of all income tax assessment order calculations.



## CompuCma

Smart tool for MPBF, fund flow, comparative Statements.



## CompuWatch

Centralized monitoring for productivity enrichment.



## CompuPay

Integrated payroll system for salary processing, attendance integration, Employee Self-service and statutory compliance



## CompuWeb

Solution for software access from anywhere.





# SAG RTA

**India's Leading Tax Solution Provider now Registered as  
"Registrar to an Issue and Share Transfer Agent"**

*Ministry of Corporate Affairs wide notification dated 10/09/2018, mandates every UNLISTED PUBLIC COMPANY, w.e.f. 02/10/2018, to Issue the Securities only in Dematerialised form and facilitate Dematerialization of all its existing Securities. So in compliance to this, every such Company needs to appoint an RTA.*

## SERVICES OFFERED



**Demat/Remat of securities through Depositories**



**Issue of Duplicate Share certificates**



**Transfer and Transposition of securities**



**Investor Record Keeping and Securities Transfer Expertise**



**Assist in Corporate Actions i.e. Bonus issue, Right issue etc.**



**Dividend / Interest payout including ECS transfers**



**IEPF Claim Settlement**



**Regulatory reporting**



**Beneficial owner reports**



**Connectivity with NSDL & CDSL**



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