THE JOURNAL FOR CMAs

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COMPETITION ACT
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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory body under an Act of Parliament)
www.icmai.in

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Research Bulletin, Vol. 43, No. III (ISSN 2230 9241)

Call for Research Papers/Articles

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

Research Bulletin is now a Quarterly Publication of the Institute. Research Bulletin has been enlisted in the UGC approved Journal List. The next issue will be published in October, 2017.

Guidelines to submit full Paper

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

Theme Topic:
Advanced Financial Management

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

- Corporate Financing
- Capital Structure
- Dividend Policy
- Corporate Governance & Mergers and Acquisitions
- Securities Issuance, IPO Underpricing
- Corporate Risk Management (CRM)
- Behavioral Biases and Asset Pricing
- Exchange Rate Risk Management
- Taxation Issues in Cross-border Financing and Investments
- Transfer Pricing
- Commodity Market
- Infrastructure Financing
- Hedging & Diversification
- International Finance
- Multinational Capital Budgeting

Papers must be received within 3rd **October, 2017** in the following email id:

research.bulletin@icmai.in

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The Institute of Cost Accountants of India

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA (erstwhile The Institute of Cost and Works Accountants of India) was first established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.

On 28 May 1959, the Institute was established by a special Act of Parliament, namely, the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of cost and management accountancy.

It has since been continuously contributing to the growth of the industrial and economic climate of the country.

The Institute of Cost Accountants of India is the only recognised statutory professional organisation and licensing body in India specialising exclusively in Cost and Management Accountancy.

MISSION STATEMENT

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

VISION STATEMENT

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

IDEALS THE INSTITUTE STANDS FOR

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

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

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INSIDE COVER STORY

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

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The Institute reserves the right to refuse any matter of advertisement detrimental to the interests of the Institute. The decision of the Editor in this regard will be final. For any query, mail to **journal.advt@icmai.in**

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New President

CMA Sanjay Gupta

CMA Sanjay Gupta has been elected as President of the Institute of Cost Accountants of India for the year 2017-18. CMA Sanjay Gupta is a Fellow Member of the Institute of Cost Accountants of India.

A combination of youth, dynamism, experience, Leadership Skills and excellence with more than 19 years of impeccable professional standing and proven track record, his achievements are as below

- ✫ *Elected to the Central Council for two consecutive terms (2011-15, 2015-19)*
- ✫ *Former Vice President of the Institute (2016-17)*
- ✫ *Chairman of NIRC of the Institute (2009-10)*
- ✫ *Chairman of WTO and International Affairs Committee of Institute (2011- 2016)*
- ✫ *Effectively contributed to the cause of the profession as a member of the Risk Management and Corporate Governance Committee, Finance Committee, Infrastructure & Information Technology Committee, Committee for Accounting Technicians, Committee for Advanced Studies, Committee for Members in Industry, IT Committee, Journal Committee, Direct Taxation Committee and many other committees in the past.*
- ✫ *Director of ICWAI Management Accounting Research Foundation*
- ✫ *Director of the Insolvency Professional Agency of Institute of Cost Accountants of India*
- ✫ *A proponent of putting Costing & Management Accountancy Profession on global map, represented the profession on the international front at a number of global meetings and conferences like Integrated Reporting necessary for Sustainability, Reporting of usage of Natural Resources, Cultural Diversity and its impact on Sustainable Business, Integration of Sustainability with Financial Reporting etc.*
- ✫ *Eloquent Speaker on various topics in Regional/National and International conferences organized by ICAI, NIRC, Chapters & other professional bodies like The Prince's Accounting for Sustainability Project (A4S), IFAC, GRI, TRAI, ASSOCHAM, CII, FICCI, IUCN etc*
- ✫ *Actively involved as Speaker in the Management Colleges like IMT Ghaziabad, Symbiosis Bangalore, IITs & IIMs*
- ✫ *Member of the Committee for the Selection Interviews for the MBA Batches for various colleges*
- ✫ *Expertise in Telecom, Power & Aviation Sector in the fields of Costing, Regulatory, Revenue Assurance, Mergers & Amalgamations, Costing, Management Accounting, Budgeting, Forecasting and Systems Development.*
- ✫ *Partner of Sanjay Gupta & Associates, Cost Accountants*
- ✫ *Insolvency Professional registered under Insolvency and Bankruptcy Board of India.*

New Vice President

CMA H Padmanabhan

CMA H Padmanabhan has been elected as Vice President of The Institute of Cost Accountants of India for the period 2017-2018. He is a Fellow Member of the Institute of Cost Accountants of India.

CMA H Padmanabhan was student representative of the ICAI Trivandrum Chapter of Cost Accountants of India during his student days. Later on after completion of the course was elected and served the Trivandrum Chapter of ICAI for more than a decade as office bearer from 1998 to 2010 for six years as Secretary, 5 years as Chairman and one year as Advisor.

- He played pivotal role in Nation Building Process of Government of India pilot project of Skill Development Program under Additional Skill Acquisition Program in the year 2012 ensuring Institute being 1st partner to Government of Kerala Skill Development Project extending CAT Course of the Institute. The Kerala Model is being followed in rest of India by the Institute.
- He being one of the founder members in the formation of Kerala Chapters of Cost Accountants of India and held the position of General Secretary of the Association for 5 years.
- He got elected to the Regional Council – Southern India for the period 2011-2015 and held the position of Treasurer, Secretary, Vice Chairman and Chairman of the ICAI SIRC.
- He got elected to the Council of the Institute of Cost Accountants of India for the period 2015-2019 from Southern Region, ICAI
- He served as Chairman, Members in Industry – Training and Placement for the period 2015-16 and as Chairman, WTO, International Affairs and Sustainability Committee, ICAI and Chairman, Woman Empowerment Cell during the period 2016-17.
- He served as a member of important committees viz., Examination, Executive, Research, Journal & IT, Regional Council and Chapters Coordination, Training & Education Facilities, Banking, Professional Development, Continuous Education Program, Coordination Committee of ICAI, ICSI and ICAI-CA, CAT and head of various Task Force Committees formed for specific purposes by the Institute.
- He was Member, Committee for Improvement in Transparency, Accountability and Governance, SAFA representing our Institute.
- He is serving in Banking Industry for nearly 3 decades with experience in Advances, General Banking and Management portfolio.
- He is serving the Officers' Fraternity of the Bank and its organization for nearly 2 decades and presently holding the office bearer ship at National Level.
- He is apart from professional qualification holding diploma in Russian language and had been one among 8 member delegate Team from India to USSR – presently Russia for outstanding performance in this field.
- A leader at school, college and university level, he has served as Secretary in Government Arts College – Commerce.
- He as Chief Guest / Key Note Speaker / Guest of Honor has addressed at Universities, IIM, reputed Colleges, Industries, Chamber of Commerce, Corporate Training Program, Train the Trainers Program PAN India and abroad representing the Institute.
- His organising skill, flair for reach the unreach, services to the society, financially backward classes and needy ones are the qualities now benefitted in the professional forefront too especially the passion for the profession and students fraternity.

EDITORIAL

Greetings!!!

In this era of globalization, the emergence of multinational corporations, interdependence of economies and the role of private enterprises in economic development are emerging as a watershed in the 'regulatory and reform' thinking. The Indian Competition Act 2002 is one such regulatory mechanism. The Competition Act, 2002 is an Act to provide, keeping in view of the economic development of the country, for the establishment of a Commission to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto. Introduction of the Act is a key step in India's march towards facing competition, both from within the country and from international players.

Objectives

- Maintenance of competitive process or of free competition
- Freedom of trade, freedom of choice and access to markets
- Lessening adverse effects of Government intervention in the market place
- Prevention of abuse of economic power
- Achievement of economic efficiency

There are various activities that will be prohibited as being anti-competitive. The activities comprise:

- Anti-competitive arrangements;
- Abuse of dominant position; and
- Mergers and acquisitions that have an appreciable adverse effect on competition in India

The Competition Act 2002, prohibits the same which causes or likely to cause an appreciable adverse effect on competition within India. A worldwide movement against anti-competitive arrangements has begun and all nations have already started observing the importance of forming and implementing a strict legal framework to ensure fair and competitive market operations.

Evolution of Competition Act in India

India was among the first developing countries to have a competition law in the form of the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969. The MRTP Act was designed to check concentration of economic power, prohibit restrictive or unfair trade practices and control of monopolies. But there was a requirement for a new competition law and India's anti-trust law became embodied in the **Competition Act, 2002** (amended by the Competition Amendment Act, 2007), which became fully operational from June 1, 2011 when the provisions regulating mergers and acquisitions were notified. While competition advocacy was notified in 2003, the provisions regulating anti-competitive agreements and abuse of dominance were notified with effect from May 20, 2009.

The Act also provides for the establishment of the Competition Commission of India (CCI), which would function as a market regulator for preventing and regulating anti-competitive practices in the country, as well as a Competition Appellate Tribunal (COMPAT) which is a quasi-judicial body established to hear and dispose of appeals against any direction issued, or decision made by the CCI. For discharging its duties/functions, CCI can enter into memorandum/arrangement with any agency of any foreign country such arrangements are important for inquiries against overseas/cross-border violations.

The Competition Commission of India, the fair-play regulator of the nation, was established with the mandate to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interest of consumers and to ensure freedom of trade of market participants in India. The Commission till date has received 488 merger cases and 791 cases of alleged anti-competitive agreements and abuse of dominant position. Over the years, the Commission, through its orders in diverse sectors such as stock exchange, infrastructure, travel, automobile, real estate, pharmaceuticals, entertainment etc., has been working effectively towards implementing its mandate.

This issue presents a good number of articles on the cover story theme 'Competition Act: Key Driver of Competitiveness' by distinguished experts and authors and an important interview. 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. 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: Integrated Reporting: Going beyond the Financial Results

September 2017

Subtopics

- Challenges of embedding IR in India
- Relationship between IR, Sustainability reporting and Sustainability accounting
- Relevance of IR in SME
- Guiding principles of IR in Global context
- GRI compliance and prerequisites of IR
- Role of SEBI
- CMAs in the next era of reporting
- Case studies

Theme: Insolvency & Bankcruptcy Code 2016

October 2017

Subtopics

- Challenges in the existing framework
- Adjudicating Authority
- Insolvency Resolution Process
- Insolvency professional agency
- Role of CMAs
- Role of Government & Banking Companies
- Case study

Theme: Registered Valuers & Valuation

November 2017

Subtopics

- Provisions in Companies Act 2013
- Ethics & Professional standards
- Code of Practice & benchmarking
- Regulatory model & compliance
- Regulatory Board & government initiatives
- Role of CMAs

Theme: Governance in Real Estate

December 2017

Subtopics

- RERA Act 2016
- Consumer forum & Public Recourse
- Land Development & Regulations
- Developers' Liabilities & Liberties
- Government's role
- Valuation & Pricing
- Regulatory issues & audit
- Role of CMAs

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 latest by the 1st of the previous month.

Directorate of Research & Journal

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PRESIDENT'S COMMUNIQUÉ

Reshape yourself through the power of your will. Those who have conquered themselves, live in peace, alike in cold and heat, pleasure and pain, praise and blame. To such people a clod of dirt, a stone, and gold are the same, because they are impartial, they rise to great heights.

-- Bhagavad Gita

CMA SANJAY GUPTA
President
The Institute of Cost Accountants of India

My Dear Professional Colleagues,

I am writing my first communiqué as President of this great Institution with full awareness that this is not only the most noteworthy moment in my life as an individual so far but also a high form of significance that I can only experience it as a privilege. If it is destiny, then I bow in front of it with devotion and make my first step towards embracing it with the consciousness that I have to live to deserve it. It reminds me of my first day when I joined the CMA Course years ago with lots of energy, I am feeling the same energy while reaching to the highest responsibilities of your Institute. Since this has also brought a lot of responsibilities on my shoulders during the prevailing challenging time, I seek your all out support to the cause of the profession and the Institute. I am confident our best time lies ahead of us and that together we will sail through the challenges posed by time.

I want you to be confident that your Institute will continue to strive towards excellence in every aspect of activities. All of the incredible support from the Council, the executives and members has been inspiring. I am looking forward to this amazing opportunity of serving as President of the second largest CMA Body in the world. I am thankful to the Council of the Institute for laying the mantle of leadership on my shoulders and for the trust and honour bestowed on me.

I feel proud to have a fruitful association of innovative, vibrant and dynamic Vice-President CMA H Padmanabhan. I am convinced about his continuous support throughout my tenure as President. I am thankful to the Former Presidents of the Institute for their wishes and I seek their guidance to take up the growth agenda successfully.

Long back when I joined the Institute as a student, I did not know much about the Institute. But in the years that followed, I felt increasingly attracted to and fascinated by our Institute. Since the year 1944, we have made steady progress, but perhaps our major achievement is the transformation of thousands of students into CMA Professionals who have marked their excellence in various spheres of the economy and in the life of common man. As a Fellow Member, I have been so proud to put Institution's name behind my own on my resume, now feeling even more proud to serve at its helm.

Other great source of strength, pride and guidance for me are the individuals who have been at the forefront of the Institute's growth. But despite all our differences in approaches, most of us share similar intention, i.e., enhancement of professional scope for our Members and sustainable development of the Institute. My effort will be to take everybody together with a common purpose and consensus approach. I cannot even begin my work as President before I closely study the heritage they have bestowed on me and before I pay tribute to them today. They are the Former Presidents of the Institute. I hope they will continue to shower the pearls of wisdom on me. Thereafter comes the turn of my predecessor, my council colleagues, members of regional councils and chapters. I acknowledge everything positive they have done, I thank them for it and I intend to incorporate it in my work whenever possible. I wish to particularly thank my immediate predecessor CMA Manas Kumar Thakur. I am sure that his largeness of mind, his singleness of purpose, his commitment to duty and his wisdom will continue to guide me in the execution of my duties.

Friends, the Government is looking up to us for many initiatives subject to our commitment and dedication towards our professional duties. In the recent meeting, soon after taking over as President, with Shri Arjun Ram Meghwal, Hon'ble Minister of State for Finance & Corporate Affairs, he expressed his expectation from our profession and Institute to help the Government. Secretary, Ministry of Corporate Affairs assured his full support and cooperation to the Institute and promised to look into the demands of the Institute with regard to Cost Rules and Name Change. Now it is upto our members to turn up to the expectation of the Governance to carve a niche for our profession and Institute. I have always believed thatonly through hard work, perseverance and dedication, we can take our profession to its greatest height.

Now I briefly explain my agenda for the growth and development of profession and the Institute by indicating some important steps to be taken up:

Membership Drive (Members Connect)

The main force, I shall rely on, however, as I embark on my responsibilities, are the current members and students of the Institute. The institute is shifting its focus to concentrate more on providing quality services to its members and students. I am kick starting a massive membership drive very soon to expand the CMA family, which will not only give us better visibility but also boost the Brand CMA.

- Friends, there are so many qualified cost accountants all over the country who have not yet taken the membership of the Institute due to some reasons or other. I urge all the members and students to contribute their bit into this exercise. Members who are serving the PSUs or big business houses may help the Institute in finding the Cost Accountants in their organisations who have not taken membership yet.

- Another aspect of this membership drive is to restore the membership of those members whose names have been removed from the membership register of the Institute due to non-payment of membership dues. I hereby urge these members to connect with the Institute.

- One more important aspect of this drive is up gradation of eligible associate members to fellow members. I hereby urge the associate members to come forward and be the fellow members of the Institute. This will give themlots of privileges. The details of this drive will be soon in place for one and all.

- Members are aware that the Benevolent Fund for the members of the Institute has been set up with the objective to provide financial assistance to members and beneficiaries by way of outright grant in the unlikely event of death of a member, outright grant for treatment for critical illness for self and family etc. I call upon all Associate and Fellow members of the institute to become life members of the fund by applying in the prescribed application format, which is downloadable from the website of the Institute, along with a one-time remittance. Contribution to the Fund is eligible for deduction u/s 80G. I hope membership of the benevolent Fund of the Institute grows in leaps and bounds in the days to come.

- In the coming weeks and months, I am looking forward to reaching out all of you by visiting all the chapters in the country and working with you to meet the challenges.Together we will move to achieve a glorious future for our Institute.

This drive cannot be successful without active support of our Chapters and Regional Councils as they are the primary contact points for the members. The executives of the Institute are fully geared up to take up this initiative. I wish all concerned a grand success in this endeavour.

Branding and Media Strategy

Branding and Media are the buzzwords today for any organization and our Institute has also realized this important aspect. The following will be the objective of the media policy of the Institute:

- To put the Institute as a world-class professional body with its members trusted for vision, leadership and integrity

- To disseminate that the Institute follows the agenda for change by intellectually influencing the government, regulators, standard-setters and other stakeholders.

- To put forth the roadmap for the Institute's future development.

You may have noticed that recently our Institute has been in the limelight for taking up aggressive initiative of supporting the Government in implementation of GST in the Country by observing July 1, 2017 as GST Day and celebrating GST Fortnight during 1st to 14th July 2017 by the regional councils and chapters of the Institute. Around 120 help desks have also been opened in the Headquarters, Regions and Chapters of the Institute. The report of these events was compiled and submitted to various Ministers and Members of Parliament, who appreciated the efforts of the Institute. This was the part of Institute's media strategy of portraying the Institute as leader in the GST implementation drive.

Working together with other Fellow Institutes

In the weeks ahead, I also look forward to working with Presidents of other sister Institutes like CA and CS and explore opportunities where we can work together to contribute towards socio-economic development of the Nation.

Apart from the above mentioned major exercises, I plan to continue with important initiatives taken by our Immediate Past President CMA Manas Kumar Thakurand CMA P.V. Bhattad, Past President during their tenure and also take the following new initiatives in the larger interests of members, students and stakeholders:

- Strengthening the opportunities for CMA professionals in the Banking and Insurance sector;
- Exploring the possibilities of establishing more tie ups with International accounting bodies;
- Strengthen the existing Centres of Excellence of the Institute and establish more such centres to take up research initiatives;
- Maintaining cordial relations with all the regulatory authorities in the Country by extending expert services in the areas of Cost and Management Accounting;
- Undertaking studies and projects from the Government to propagate the Cost Consciousness in the Government and Corporate World;
- Totally refurbish the IT framework of the Institute with state of art facilities and centralised control over the members and students services;
- Re-establishing the Advanced Studies courses in the light of changing demands of the Corporate and Government;
- Strengthen the Technical Team of the Institute so that the initiatives for capacity building of the members can be taken up on priority;
- Reinforcement of the Studies department of the Institute to offer better student services and study material;
- Planning to have Student / Members support desk / cell in all the Chapters / Regional Councils / Head Quarters. Wherein the Students / Members can just walk-in to find answers for all Institute's related queries. This way your Institute will be offering best of its services to all the Stake holders.
- Exploring the possibility of establishing tie ups with industry to impart training to our students;
- Planning to provide ERP training to students and members on competitive cost;
- Opening of new chapters in the unexplored areas of the Country;
- Improving relations with the sister professional bodies to offer better deals to our students in terms of exemptions;
- Rigorously following up the long standing demand of the Institute and its members for changing the definition of Accountant to include Cost and Management Accountant and also the name change of the Institute to ICMAI;
- Associating with Industry Associations and Chambers of Commerce & Industry to come closer to business community;
- Supporting expansion of CAT course in all the States of the Country under the Skill Development Programmes.

- Exploring new tie ups with MSME associations for capacity building of the small traders and businesses;

- Taking up renewed efforts for the capacity building of the Insolvency Professionals registered with the Institute;

- Supporting the Peer Review System of the Institute to improve quality of service delivered by the members;

- Developing our Institute as a 'Think Tank'for the Government for all its policy decisions development and growth;

- Explore the possibilities to tie-up with all the State Government and contribute towards the development of State, Economy as well as Nation;

- Explore the best possibilities for streamlining a procedure for seeking nominations from the Institute for senior positions (as for example Independent Directors) in Companies and other GovernmentInstitutions where the Institute can recommend names of experienced Members.

- Efforts would be to brand the Institute as an Institute of Global standing and will explore the possibilities of strengthening collaboration with similar Institutions around the globe, creating an environment for exchange of expertise of our profession, signing as many MOUs of similar Professional bodies/ Institutes/Universities globally which will help exchange of Professional services of our Members all across the world.

- Efforts would also be to develop more industry collaboration internationally for business development and consultation, knowledge partnership opportunities for our Members

- Effort will be taken to develop professional relationship with World Bank, IMF and other international financial institutions to tap professional and personal growth opportunities for our Member.

Friends, some of the above mentioned initiatives are not new or path breaking, but in the interest of the members and students I will continue with these steps. I seek your constructive support in fulfilling my agenda for the growth of the Institute and profession. You may like to give suggestions on the above mentioned items to the Professional Development department or President's Office of the Institute so that the same can be considered for implementation.

No institution is perfect but combined efforts of members, executives and policy makers of the Institute take it towards perfection.I wholeheartedly once again call upon you to contribute to the implementation of the growth agenda of the Institute. For achieving the growth agenda each one of us has to play an effective role. I would like to be consultative always. I would like to hear your opinion. Give me your feedback /suggestions asalways. It will strengthen my efforts to do better. In my view there is no better way to achieve success.

Concluding this communication with a quote of Hon'ble Prime Minister of India ***Shri Narendra Modi***:

"In our country, only what is talked about is seen as reform. If it isn't talked about, it isn't seen as reform. It shows our ignorance. My mantra is reform to transform, and I say in my government - Reform, Perform and Transform."

Let us also take a pledge together to ***Reform, Perform*** and ***Transform.***

I wish prosperity and happiness to members, students and their family on the occasion of Independence Day, Janmashtami and Ganesh Chaturthi.

With warm regards,

God bless you all!!!

CMA Sanjay Gupta
12th August, 2017

The Institute of Cost Accountants of India

(Council Committees for the year 2017-18)

Standing Committees

1. Executive Committee
(Quorum: 3)

Chairman
1 CMA Sanjay Gupta, President

Members
2 CMA H. Padmanabhan, Vice President
3 CMA Niranjan Mishra
4 CMA Amit Anand Apte
5 CMA Papa Rao Sunkara
6 CMA Manas Kumar Thakur
7 CMA Pramodkumar V. Bhattad

Secretary
CMA Kaushik Banerjee, Secretary

2. Examination Committee
(Quorum: 3)

Chairman
1 CMA Sanjay Gupta, President

Members
2 CMA H. Padmanabhan, Vice President
3 CMA Biswarup Basu
4 CMA Ashok Bhagawandas Nawal
5 CMA Vijender Sharma
6 CMA Dr. P.V.S. Jagan Mohan Rao
7 Shri Surender Kumar, Government Nominee

Secretary
CMA Kaushik Banerjee, Secretary

3. Finance Committee
(Quorum: 3)

Chairman
1 CMA Sanjay Gupta, President

Members
2 CMA H. Padmanabhan, Vice President
3 CMA Balwinder Singh
4 CMA Dr. I. Ashok
5 CMA Avijit Goswami
6 CMA P. Raju Iyer
7 Shri Praveer Kumar, Government Nominee

Secretary
CMA Arup Sankar Bagchi, Director (Finance & Membership)

Other Committees

4. Training & Education Facilities and Placement Committee
(Quorum: 3)

Chairman
1 CMA Manas Kumar Thakur

Members
2 CMA Ashok Bhagawandas Nawal
3 CMA Amit Anand Apte
4 CMA Avijit Goswami
5 CMA Papa Rao Sunkara
6 CMA Dr. I. Ashok
7 Shri Surender Kumar, Government Nominee

Secretaries
CMA Arnab Chakraborty, Sr. Director (Studies, Admin and HR) for Training & Education Facilities

CMA L. Gurumurthy, Sr. Director (Admin, CAT, T&P) for Training & Placement

5. Journal and Publications Committee
(Quorum: 3)

Chairman
1 CMA Biswarup Basu

Members
2 CMA Avijit Goswami
3 CMA Vijender Sharma
4 CMA Ashok Bhagawandas Nawal
5 CMA Papa Rao Sunkara
6 CMA P. Raju Iyer
7 Shri Sushil Behl, Government Nominee

Secretary
CMA Dr. D. P. Nandy, Director (Journal & Publications)

The Institute of Cost Accountants of India

(Council Committees for the year 2017-18)

6. Professional Development & CPD Committee

Quorum: 3 (CPD) and Quorum: 3 (PD)

Chairman
1 CMA Amit Anand Apte

Members
2 CMA Balwinder Singh
3 CMA Niranjan Mishra
4 CMA Avijit Goswami
5 CMA P. Raju Iyer
6 CMA Dr. I. Ashok
7 Shri Praveer Kumar, Government Nominee

Secretaries
CMA S. C. Gupta, Director (Professional Development)

CMA Indu Sharma, Dy. Director for CPD

7. Regional Council & Chapters Coordination Committee

(Quorum: 3)

Chairman
1 CMA H. Padmanabhan, Vice President

Members
2 CMA Niranjan Mishra
3 CMA Manas Kumar Thakur
4 CMA Amit Anand Apte
5 CMA Biswarup Basu
6 CMA Balwinder Singh
7 Shri Sushil Behl, Government Nominee

Secretary
CMA Arnab Chakraborty, Sr. Director (Studies, Admin and HR)

8. International Affairs and Sustainability Committee

(Quorum: 3)

Chairman
1 CMA Dr. I. Ashok

Members
2 CMA Avijit Goswami
3 CMA Manas Kumar Thakur
4 CMA Dr. P.V.S. Jagan Mohan Rao
5 CMA Amit Anand Apte
6 CMA Papa Rao Sunkara
7 Shri K.V.R. Murthy, Government Nominee

Secretary
CMA S.C.Gupta, Director (Professional Development)

9. Taxation Committee

(Quorum: 4)

Chairman
1 CMA Niranjan Mishra

Members
2 CMA Manas Kumar Thakur
3 CMA Amit Anand Apte
4 CMA Ashok Bhagawandas Nawal
5 CMA Balwinder Singh
6 CMA P. Raju Iyer
7 Shri Ajai Das Mehrotra, Government Nominee
8 CMA S. R. Bhargave (Co-opted)
9 CMA V. S. Datey (Co-Opted)
10 CMA N. Swain (Co-Opted)

Secretary
CMA Arup Sankar Bagchi, Director (Finance & Membership)

10 CAT Committee

(Quorum: 3)

Chairman
1 CMA Avijit Goswami

Members
2 CMA Biswarup Basu
3 CMA Balwinder Singh
4 CMA Ashok Bhagawandas Nawal
5 CMA Dr. I. Ashok
6 CMA Manas Kumar Thakur
7 Shri Surender Kumar, Government Nominee

Secretary
CMA L. Gurumurthy, Sr. Director (Admin, CAT, T&P)

11. Corporate Laws Committee

(Quorum: 3)

Chairman
1 CMA Ashok Bhagawandas Nawal

Members
2 CMA Manas Kumar Thakur
3 CMA Dr. P.V.S. Jagan Mohan Rao
4 CMA Biswarup Basu
5 CMA Papa Rao Sunkara
6 CMA Vijender Sharma
7 Shri K.V.R. Murthy, Government Nominee

Secretary
CMA Tarun Kumar, Joint Director

The Institute of Cost Accountants of India
(Council Committees for the year 2017-18)

12. Members' Facilities & Services Committee
(Quorum: 3)

Chairman
1 CMA Papa Rao Sunkara

Members
2 CMA Biswarup Basu
3 CMA Dr. P.V.S. Jagan Mohan Rao
4 CMA Pramodkumar V. Bhattad
5 CMA Vijender Sharma
6 CMA P. Raju Iyer
7 Shri K.V.R. Murthy, Government Nominee

Secretary
CMA Arup Sankar Bagchi, Director (Finance & Membership)

13. Infrastructure Committee
(Quorum: 3)

Chairman
1 CMA Pramodkumar V. Bhattad

Members
2 CMA Balwinder Singh
3 CMA Dr. I. Ashok
4 CMA Dr. P.V.S. Jagan Mohan Rao
5 CMA Amit Anand Apte
6 CMA Niranjan Mishra
7 Shri Praveer Kumar, Government Nominee

Secretary
CMA Kushal Sengupta, Jt. Director (Finance)

14. Election Reforms Committee
(Quorum: 3)

Chairman
1 CMA Vijender Sharma

Members
2 CMA Dr. P.V.S. Jagan Mohan Rao
3 CMA Avijit Goswami
4 CMA Pramodkumar V. Bhattad
5 CMA Biswarup Basu
6 CMA Dr. I. Ashok
7 Shri Sushil Behl, Government Nominee

Secretary
CMA Nisha Dewan, Joint Secretary

15. Coordination Committee of ICAI, ICSI and ICAI
(Quorum: 2)

Chairman
1CMA Sanjay Gupta, President

Members
2 CMA H. Padmanabhan, Vice President
3 CMA Pramodkumar V. Bhattad
4 CMA P. Raju Iyer

Secretary
CMA Kaushik Banerjee, Secretary

16. IT & Research Committee
(Quorum: 3)

Chairman
1 CMA Sanjay Gupta, President

Members
2 CMA H. Padmanabhan, Vice President
3 CMA Manas Kumar Thakur
4 CMA Avijit Goswami
5 CMA Pramodkumar V. Bhattad
6 CMA Papa Rao Sunkara
7 Shri Ajai Das Mehrotra, Government Nominee

Secretarie
CMA Dr. D. P. Nandy, Director (Journal & Publications)
Ms. Anita Singh Addl. Director (IT)

17. Committee on Public Finance and Government Accounting
(Quorum: 4)

Chairman
1 CMA Balwinder Singh

Members
2 CMA Ashok Bhagawandas Nawal
3 CMA Biswarup Basu
4 CMA Dr. P.V.S. Jagan Mohan Rao
5 CMA Manas Kumar Thakur
6 CMA Niranjan Mishra
7 CMA Papa Rao Sunkaras
8 Nominee from National Institute of Public Finance and Policy
9 Nominee from National Institute of Financial Management

Secretary
CMA Sanjeev Goel, Joint Director

18. Cost Accounting Standards Board

(Quorum: 9)

Chairman
1 CMA P. Raju Iyer

Members
2 CMA Balwinder Singh
3 CMA Niranjan Mishra
4 CMA Amit Anand Apte
5 CMA Dr. I. Ashok
6 Shri Sushil Behl, Government Nominee
7 CMA B.B. GoyaI
8 CMA Mrityunjay Acharjee
9 CMA Ajay Deep Wadhwa
10 CMAJ B Sahoo, PCMA
11 CMA Ashish Thatte, PCMA
12 CMA Murali Ganeshan
13 CMA Parvathi Venkatesh PCMA
14 CMA V. S. Datey
15 CMA Manoj Kulshrestha, PCMA
16 CMA Chandra Wadhwa, PCMA
17 Nominee of MCA - Name to be given
18 Nominee of - CII/FICCI/ASSCOCHAM/PHDCCI
19 Nominee of - CII/FICCI/ASSCOCHAM/PHDCCI
20 Nominee of - CII/FICCI/ASSCOCHAM/PHDCCI
21 Nominee of CAG
22 Nominee of Regulator - TRAI/PNGRB/SEBI/CCI - Name to be given
23 Nominee of Regulator - TRAI/PNGRB/SEBI/CCI - Name to be given
24 Nominee of Regulator - TRAI/PNGRB/SEBI/CCI - Name to be given
25 Nominee of ICSI
26 Advisor (Cost)
27 Nominee of MCA
28 Nominee of CBEC
29 Nominee of CBDT
30 Nominee of ICAI

Secretary
CMAJ. K. Budhiraja, Sr. Director (Technical)

19. Cost Auditing and Assurance Standard Board

(Quorum: 6)

Chairman
1 CMA Dr. P.V.S. Jagan Mohan Rao

Members
2 CMA Niranjan Mishra
3 CMA P. Raju Iyer
4 CMA Balwinder Singh
5 CMA Amit Anand Apte
6 CMA Ashok Bhagawandas Nawal
7 Shri Praveer Kumar, Government Nominee
8 CMA B.B. Goyal
9 CMA K. Narasimha Murthy, PCMA
11 CA Chandrashekhar Chitale, PCA
12 CMA D. V. Joshi, PCMA
13 CMA Ravi Sahani, PCMA
14 CMA Sushil Kothari
15 CMA Sham Wagh
16 Nominee of- CH / FICCI / ASSOCHAM / PHDCCI
17 Nominee of- CH / FICCI / ASSOCHAM / PHDCCI
18 Nominee of - CII / FICCI / ASSOCHAM / PHDCCI
19 Nominee of CAG
20 Nominee of Regulator - TRAI/PNGRB/SEBI/CCI - Name to be given
21 Nominee of Regulator - TRAI/PNGRB/SEBI/CCI Name to be given
22 Nominee of ICSI
23 Nominee of IIM
24 Nominee of MCA - Name to be given

Secretary
CMA Tarun Kumar, Joint Director

Council Committees for the year 2017-18

20. ICWAI Management Accounting Research Foundation

Directors
1 CMA Sanjay Gupta
2 CMA H. Padmanabhan
3 CMA Pramodkumar V. Bhattad
4 CMA Manas Kumar Thakur
5 CMA Niranjan Mishra
6 CMA Amit Anand Apte
7 CMA Avijit Goswami
8 CMA Dr. Asish Kumar Bhattacharyya
9 CMA Dr. S.K. Gupta

Secretary
CMA L. Gurumurthy, Sr. Director (Admin, CAT, T&P)

21. Association of Accounting Technicians

Directors
1CMA Dr. I. Ashok
2 CMA Papa Rao Sunkara
3 CMA Balwinder Singh

Secretary
CMA L. Gurumurthy, Sr. Director (Admin, CAT, T&P)

22. Board of Advanced Studies

Quorum: 4

Chairman
1CMA Manas Kumar Thakur

Members
2 CMA Amit Anand Apte
3 CMA Papa Rao Sunkara
4 CMA Dr. P.V.S. Jagan Mohan Rao
5 CMA P. Raju Iyer
6 CMA Neeraj Aarora
7 CMA T.C.A Srinivas Prasad
8 CMA Satya Sunder Mahasuar
9 CMA S.A.Murali Prasad

Secretary
CMA M. P. S. Arun Kumar, Dy. Director (Advance Studies)

President and Vice President are Permanent Invitees to all the Committees except Disciplinary Committees & Board of Discipline.

Office bearers of Regional Councils for the year 2017 - 18

EIRC

Name	Position
CMA Pranab Kumar Chakrabarty	Chairman
CMA Shyamal Kumar Bhattacharjee	Vice Chairman
CMA Cheruvu Venkata Ramana	Secretary cum Treasurer

WIRC

Name	Position
CMA Kailash Gandhi	Chairman
CMA L. D. Pawar	Vice Chairman
CMA S. N. Mahankaliwar	Secretary
CMA Harshad Deshpande	Treasurer

NIRC

Name	Position
CMA Sunil Kr. Singh	Chairman
CMA S. K. Bhatt	Vice Chairman
CMA Anil Sharma	Secretary
CMA Rajendra Singh Bhati	Treasurer

SIRC

Name	Position
CMA Dr. A Mayil Murugan	Chairman
CMA Suresh R. Gunjalli	Vice Chairman
CMA (Mrs.) Jyothi Satish	Secretary
CMA Sankar P. Panicker	Treasurer

CMA Sanjay Gupta and CMA H. Padmanabhan, newly elected President and Vice President of the Institute along with the Council Members, Government Nominees and Secretary of the Institute, at the Headquarters of the Institute on July 22, 2017 in Kolkata

CMA Sanjay Gupta, President of the Institute being felicitated by the Council Members and Government Nominees on July 22, 2017 at the Institute Headquarters in Kolkata

CMA H. Padmanabhan, Vice-President of the Institute being felicitated by the Council Members on July 22, 2017 at the Institute Headquarters in Kolkata

ICAI-CMA SNAPSHOTS

CMA Sanjay Gupta, newly elected President of the Institute being felicitated by Immediate Past President CMA Manas Kumar Thakur, others seen are Council Members and Government Nominees

CMA Sanjay Gupta, newly elected President of the Institute being felicitated by Immediate Past President CMA Manas Kumar Thakur, others seen are Council Members and Government Nominees

CMA H. Padmanabhan, newly elected Vice-President being felicitated by CMA Sanjay Gupta, President of the Institute

CMA Sanjay Gupta, President of the Institute addressing the Council Members, Regional Council Members and other members on July 22, 2017 in Kolkata

CMA Sanjay Gupta, President of the Institute being felicitated by Regional Council Members at NIRC

CMA Sanjay Gupta, President of the Institute with the staffs in Delhi office

CMA Sanjay Gupta, President of the Institute greeting Shri Ashish Kumar Chauhan, MD & CEO of Bombay Stock Exchange

CS (Dr.) Shyam Agarwal, President, ICSI visited Delhi office of the Institute to greet and meet CMA Sanjay Gupta, President of the Institute. CMA H Padmanabhan, Vice-President and CMA P Raju Iyer, Council Member of the Institute are also seen in the picture

CMA Sanjay Gupta, President of the Institute greeting Shri Arjun Ram Meghwal, Hon'ble Union Minister of State for Finance and Corporate Affairs along with CMA H Padmanabhan, Vice-President and CMA P.Raju Iyer, Council Member of the Institute

CMA Sanjay Gupta, President and CMA H Padmanabhan, Vice-President of the Institute greeting Shri Tapan Ray, IAS, Secretary to the Government of India, Ministry of Corporate Affairs in the presence of CMA P Raju Iyer, Council Member

Meeting of Immediate Past President CMA Manas Kr. Thakur with Hon'ble Minister of Law and Justice, GOI, Shri DV Sadananda Gowda to discuss the name issue and accounting definition

Meeting of Immediate Past President CMA Manas Kr. Thakur with former Union Minister, Shri Veerappa Moily to discuss the name issue and accounting definition

14th National Award for Excellence in Cost Management - 2016

Category I: PRIVATE -MANUFACTURING – MEGA

Shree Cement Limited

Krishak Bharati Cooperative Limited

Category II: PRIVATE - MANUFACTURING – LARGE

Amara Raja Batteries Limited

JK Cement Limited

Category III: PRIVATE -MANUFACTURING – MEDIUM

The Andhra Sugars Limited

Category IV: PRIVATE -MANUFACTURING – SMALL

Indo National limited

Category VIII: PUBLIC -MANUFACTURING –SMALL

Central Electronics Limited

Category XVI: Consulting & Others

EdCIL (India) Limited

Category : PUBLIC -MANUFACTURING – MEGA

Gujarat State Fertilizers & Chemicals Limited

Category : PUBLIC - MANUFACTURING – LARGE

Bharat Heavy Electricals Limited Unit: Bhopal

Category : PUBLIC -MANUFACTURING – MEDIUM

GAIL (India) Limited, Vijaipur

Category : Banking, Financial services and Insurance

Indiabulls Housing Finance Limited

Category : Power Distribution and Transmission

Odisha Power Transmission Corporation Limited

Category : Telecommunication & Information Technology

Bharti Airtel Limited

Category : Infrastructure & Construction Services

Delhi International Airport (P) Limited

Category : Transportation and Logistics

Central Warehousing Corporation

Best CMA CFOs

Category I: Private-Manufacturing-Large-Male

CMA A. Velliangiri
Tamil Nadu Newsprint and Papers Limited

Category II: Private-Manufacturing-Medium-Male

CMA Praveen Kumar Jain
BSL Limited

Category III: Service-Large -Male

CMA Surya Shankar Banerji
BSES Yamuna Power Limited

Category IV: Service-Large -Female

CMA Ulka Ganesh Kalaskar
Pune Municipal Corporation

Category V: Service-Medium -Male

CMA Durga Prasad Dash
Odisha Construction Corporation Limited

Category VI: Service-Small-Male

CMA Maruvada Suryanarayana Murty
Mineral Exploration Corporation Limited

CMA Achiever Awards-2016

Category I: Private-Manufacturing-Large-Male

CMA Gurram Prabhakara Rao
KRIBHCO

Category II: Private-Manufacturing-Large-Female

CMA Rita Pius Dmello
Mahindra and Mahindra Limited

Category III: Public-Manufacturing-Large –Male

CMA Mrityunjay Acharjee
Balmer Lawrie & Co Limited

CMA Subodh Gupta
Bharat Heavy Electricals Limited

Category V: Service-Large –Female

CMA Baldev Kaur Sokhey
NBCC (India) Limited

CMA Awards

CMA Young Achiever Awards-2016

Category I: Private-Manufacturing-Large-Female

CMA Melissa Inacina Lacerda
Larsen & Toubro Limited

Category II: Public-Manufacturing-Large –Female

CMA Manimala Ray
NTPC Limited

Category IV: Service-Large –Female

CMA Yogeeta Tiwari
Bharat Sanchar Nigam Limited

Overview of

CMA P.K. Chakravarty
Management Consultant
Kolkata

Competition Law

Competition Law(s) worldwide have emerged from historical perspectives which prevailed in respective countries having specific market dynamics, unique trade and business dimensions and different ways to regulate or allow freedom to producers / manufactures / sellers to operate their commercial initiatives with a purpose of economic gain for themselves, the consumers and the economy as a whole.

However, like every commercial activity where apart from economic gain the need for discipline and fairness is called for , there is no exception in respect of practices which invariably give rise to economic competition over time and hence needs to be regulated and directed in a way that ensures rightful economic gain for all stakeholders by removing unfair , unhealthy and unjustified economic gain of the parties involved in the process.

In the above background, Competition Laws worldwide have emerged and amended from time to time to take care of various commercial and economic facets -- both potential and emerging -- governing trade and business practices to ensure market discipline and economic gain for all stakeholders including the country as a whole. In India too, the Competition Law in the form of Competition Act which has been promulgated in 2002, is no exception.

Economic Perspective –

Three levels of economic competition have been recognized in the market place based on competing products or services:

a) The most narrow form is direct competition where products which perform the same function, compete against each other. For example, one brand of car competes with another brand.
b) The next form is indirect competition, where products or services which are close substitutes compete. For example, a coffee shop competes with a snack bar.
c) The broadest form of competition is typically called budget competition. Included in this category is anything on which the consumer might want to spend their available money.

Based on number of competitors and market dynamics, competition may be classified as:-

1. Perfect Competition / Pure Competition -

In this situation, sellers have no control over the selling price of their products / services. The price is set by the market and it is fairly easy to enter or leave the market.

2. Monopolistic Competition-

It exists when large numbers of sellers produce a product or service that is perceived by consumers as being different from each other but is actually quite similar. This perception arises due to product differentiation based on price / image / features /quality etc.

3. Oligopoly –

When there are few sellers but many buyers and each seller has some control over price and regulates conditions for entry of others in the same field of trade / business.

4. Monopoly –

When there are many buyers but only one seller who controls the price of the goods / services and prevents others from entering the field.

Legal Perspectives: The need for Competition Law-

In order to infuse discipline and fairness in trade practices it is imperative to create an efficient market. And an efficient market will only emerge when there are many players, no barriers to entry & exit and information flow freely. The need for competition law arises because market may suffer from failures and distortions and various players may resort to anti-competitive practices to create monopoly and unhealthy trade practices which in the long run will adversely impact the very purpose of economic prosperity of the nation as a whole. Anti - competitive practices are business practices that prevent or reduce competition in a market.

Anti – competitive practices broadly include:-

- ✰ Dumping
- ✰ Exclusive dealing
- ✰ Price fixing
- ✰ Refusal to deal
- ✰ Dividing territories

- ✰ Limit Pricing
- ✰ Tying
- ✰ Resale price maintenance

Competition Law in India -

Competition Law is a law that promotes and maintains fair market competition by regulating anti competitive conduct by entities that operate in the market place. Competition Law has three fundamental elements –

a) Prohibiting agreements / practices that restrict free trading and competition between businesses. For example, the activities of cartels.

b) Banning abusive behaviour by a firm dominating a market or anti competitive practices that tend to lead to a dominant position.

c) Regulating mergers and acquisitions of large corporations, including joint ventures. Transactions that are considered likely to threaten competitive business environment can be prohibited altogether or approved subject to certain 'remedies '.

The Competition Act, 2002-

The Act was enacted by the Parliament to govern the competition law & practices in India replacing the Monopolies and Restrictive Trade Practices Act , 1969 which had outlived its purpose in the context of India's liberalisation and globalisation initiatives started from early 1990s.

The present Act provides for the establishment of a Competition Commission to prevent trade practices having adverse effect on competition , to promote and sustain healthy competition in markets , to protect the interests of consumers & various stake holders and to ensure freedom of trade & business by the participants.

Competition Commission of India (CCI) -

CCI, a body of the Govt of India established with effect from 14th October 2003 under the Competition Act is responsible for enforcing the provisions of Competition Act in India. The CCI has been entrusted with the following responsibilities, inter alia:-

- ✰ To make the market work for the benefit and welfare of consumers;
- ✰ To ensure fair and healthy competition in economic activities of the country for faster and inclusive growth;
- ✰ To implement competition policies with an aim to ensure efficient utilization of economic resources;
- ✰ To develop and nurture effective relations and interactions with sectoral regulators to ensure smooth alignment of sectoral regulatory laws with the spirit of competition law in the country;
- ✰ To effectively carry out competition advocacy and spread the information among all stakeholders to establish and nurture healthy competition culture in the Indian economy.

The main components / elements of the Competition Act, 2002 are :-

1. Anti – Competitive Agreements –

Sec.3 of the Competition Act, 2002 which came into effect from May 20, 2009.

2. Abuse of Dominant Position –

Sec. 4 of the Competition Act, 2002 which came into force from May 20, 2009.

3. Combinations including Mergers & Acquisitions –

Sec 5 & 6 of Competition Act, 2002, which came into force from June 1, 2011.

4. Competition Advocacy.

Let us look briefly at the aforesaid components:-

1. Anti – Competitive Agreements covered under the Competition Act 2002:

Following are typical category of agreements / contracts that attract provisions under the Competition Act ,2002 :-

a. Price fixing Agreements
b. Facilitating Practices
c. Quiet Life Agreements
d. Group Boycotts
e. Joint Venture Agreements
f. Trade Associations
g. Cartels
h. Tie in Arrangements
i. Exclusive Supply or Distribution Agreements
j. Refusal to Deal
k. Resale Price Maintenance

2. Abuse of Dominant Position under the Competition Act , 2002 :

This refers to anti competitive business practices in which a dominant firm/ entity may engage in order to maintain / increase/ consolidate its position in the market .The abuse of dominance , be it of an individual enterprise or of a group , involves the following stages :-

- ✰ Determination of 'relevant market' which is assessed on the basis of relevant product / geographical market.

✰ Determination of 'dominance 'in the relevant market.

✰ Determination of an 'abuse 'in respect of the dominant position.

What constitutes Abuse of Dominant Position?

'Abuse of dominance' is not defined in the Indian Competition Act. However , various activities covered under abuse of dominance position that attracts the provisions of the Competition Act are :-

a) If an enterprise or a group directly or indirectly impose unfair or discriminatory condition in purchase or sale of goods or services; or

b) If an enterprise or a group directly or indirectly impose unfair or discriminatory price in purchase or sale of goods or service ; or

c) If an enterprise or group restricts production of goods or provision of services or markets related thereto; or

d) If an enterprise or group restricts technical or scientific development relating to goods or services to the prejudice of consumers; or

e) If an enterprise or group indulges in practice resulting in denial of market access in any manner; or

f) If an enterprise or group uses its dominant position in one relevant market to enter into or protect other relevant market ; or

g) If an enterprise or group applies dissimilar conditions to similar transactions with different trading parties, thereby, placing them at a competitive disadvantage.

Need for competition law arises because market may suffer from failures and distortions and various players may resort to anticompetitive practices to create monopoly and unhealthy trade practices which in the long run will adversely impact the very purpose of economic prosperity of the nation as a whole.

3. Combinations including Mergers and Acquisitions under Competition Act, 2002:

Combination under the Competition Act 2002 implies acquisition of control, shares, voting rights or assets by a person over an enterprise where such person has direct or indirect control over another enterprise engaged in similar business, and merger and amalgamation between enterprises when the combining parties exceed the thresholds specified in the Act .The thresholds are specified in the Act in terms of assets or turnover in India and outside India and are applicable for individuals and groups.

Under the Competition Act "Group "means two or more enterprises which directly or indirectly are in a position to –

a) Exercise twenty six percent or more of the voting rights in the other enterprise; or

b) Appoint more than fifty percent of the members of the board of directors in the other enterprise ; or

c) Control the management of affairs of the other enterprise ;

For the purpose of determining whether a combination would have or is likely to have an appreciable adverse effect on competition in the relevant market , the Commission shall have due regard to all or any of the following factors , namely :-

1) Actual or potential level of competition in the market ;
2) Extent of barriers to entry into the market ;
3) Level of combination in the market ;
4) Likelihood that the combination would result towards significantly increasing profits or prices ;
5) Extent to which substitutes are available or are likely to be available in the market ;
6) Market share , in the relevant market , of the persons or enterprises in a combination ;
7) Nature and extent of vertical integration in the market ;
8) Nature and extent of innovation perceived in the market ;
9) Whether the benefits of the combination outweigh the adverse impact of the combination , if any ;

4. Competition Advocacy:

Section 49 of the Competition Act 2002 empowers the CCI to undertake competition advocacy. Advocacy initiatives take the Commission from being merely an enforcing authority to be an advocate of merits of competition and to take suitable non-enforceable measures with an aim to create and strengthen awareness of the role of competition among market players and various stakeholders , thereby , encouraging compliance and reducing the need for enforcement action on erring enterprises.

Way ahead for the Competition Law in India and other countries –

a) Intellectual Property Rights -

Competition Law has become increasingly inter wined with intellectual property, such as : copyright , trademarks , patents ,industrial design rights , trade secrets etc. On one hand it is believed that promotion of innovation through enforcement of intellectual property rights promotes competitiveness, while on the other hand, it is perceived to result in unfair trade practices. The present Competition Act need to focus on this issue as increasing number of copy right / trade mark disputes relate to finding a balance between giving preference to intellectual property rights or towards promoting competitiveness.

b) Interface with corporate governance –

With the growing emphasis on corporate governance the world over, and the increasing complexities arising in the area of Competition Law that impacts business governance, it is desirable that the regulatory framework of corporate governance should include specific mention of compliance with the provisions of Competition Law / Act, as may be applicable to potential enterprises or groups.

Role of Professionals in the context of Competition law -

Professionals like Economists, Lawyers, Cost & Management accountants, Company Secretaries, Business Analysts etc. Have a large role to play to ensure that the spirit of competition law is practiced in the desired manner both at the micro level and macro level of an economic society. Essentially, the Cost & Management Accountants have a special role in the governance of competition law not only in India but all over the world.

Specific role that a Cost & Management Accountant can play in the domain of competition law whether in India or overseas are:-

a) Advisory / Consultancy Services to Enterprises so as to avoid any penalties / consequences for contravention of the provisions of Competition Act / Competition Law.

b) Drafting of Competitive Agreements so that no clause in the Agreement is anti competitive which attracts the provision of Competition Law .

c) Representation on behalf of enterprises by acting as an interface between Competition Commission and various Sectoral Regulators.

d) To facilitate and spread awareness regarding suitable competition compliance program in enterprises that are or are likely to be under the coverage of Competition Act.

e) To act as an 'Expert 'in the office of the Competition Commission of India in the area of : mergers / acquisitions, business combinations , industry specific pricing under competitive market conditions , etc.

f) To actively participate / initiate various Competition Advocacy Programs among the stake holders from time to time at various places to bring awareness of the benefits of Competition Law in trade and business practices and to update the participants of the current developments in the Competition law in India and other countries.

Concluding Observations -

India responded positively by opening up its economy by removing controls during the economic liberalization. As a result, Indian market faces competition from within and outside the country. This require the need for a strong legislation to govern the process of transition and ensuring proper management of legal and administrative issues that would emerge in due course. This was the genesis for the coming into force of the present Competition Act, 2002 replacing the erstwhile MRTP Act , 1969. By 2008, 111 countries had enacted Competition Laws and many amendments are taking place in the Competition Act regularly all over the world as business complexities are growing in leaps and bounds. The present Competition Act in India is an efficient piece of legislation in this direction and considering the various guidelines /notifications / amendments that have been brought under this Act from time to time, it is expected that the Competition Law in India will indeed serve the purpose for which it was enacted. MA

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EFFICACY OF LENIENCY PROGRAMME IN CARTELISATION CASES

For a well-established, well-functioning, and successful economy the competition is said to be prerequisite which ensures all round growth, advances human civilization by making us goal oriented. Additionally, competition reduces the burden of State's regulatory machineries by providing a transparent, consistent, and favourable business environment and restricting anti-competitive agreements and activities. But, all the time such situation does not occur. Business institutions or persons involved in business, for more and more benefits, enter into agreements not to compete on price, products or customers with the objectives of raising price above competitive levels which, in turn, results in violation of customers' right to choice, providing poor quality of goods/ services to customers ultimately injuring the respective economy. Such agreements or activities are called cartelisation, prohibited under section 3 of the Competition Act, and, being in violation of laws, committed in complete secrecy, the detection of which is not an easy task for the State. In justice delivery system, the detection of any wrong including cartelisation cases is thought to be of prime importance to detect and punish the wrongdoers. The leniency programme, inter alia, is a key tool to detect and crack the cartelisation. The present paper discusses the efficacy of leniency programme in

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cartelisation cases.

Understanding Leniency Programme:

The term 'leniency', as per Oxford Dictionary of English at page 1011, means 'the fact or quality of

being more merciful or tolerant than expected'. In legal sense, this term is used in respect of reducing the penalty of a person who is involved in any wrong in lieu of his full cooperation in deciding the matter with true and full disclosure of the information required in delivering the justice. The reduction in penalty may be full (which is known as complete immunity) or partial as per the stage of providing information and nature of cooperation extended by the person applying for leniency. Taking the note of nature, effects and seriousness of wrongs committed in secrecy, the leniency programmes have been accepted as effective device to detect, investigate, and combat wrongs worldwide.

The leniency programme, introduced in cartelisation cases, is like a whistleblower protection wherein a cartelist comes forward and discloses the information relating to cartel to the Competition Commission of India (CCI) and accordingly the lenient treatment is offered to him/her.

The leniency programme is very much advantageous to the justice delivery system by compelling a participant of cartel to disclose the information which otherwise might not be available. Thus, it is said that this programme has accorded effective system of collection of evidence, lowering the adjudication expenses etc. A UNCTAD document mentions that 'leniency programmes are designed to give incentives to cartel members to come in, confess and aid the competition law enforcers. They aim to drive a wedge through the trust and mutual benefit at the heart of a cartel. They reward one, or a very few, whistleblowers with a large reduction in penalties (as compared to that calculated absent leniency), but not the other cartel members. In other words, they increase the attractiveness of whistle-blowing, especially of being the first whistle-blower, as compared with continuing the cartel.'

Leniency Programme in Indian Cartelisation Cases:

The legal basis of leniency programme in India is contained in section 46 of the Competition Act, 2000 read with the Competition Commission of India (Lesser Penalty) Regulations, 2009 which enumerate the essential conditions for availing leniency programme, details of filing application, procedure for grant, maintenance of confidentiality etc. Section 46 encourages the producer, seller, distributor, trader or service provider, who are involved in any cartel, to come forward and disclose correctly, fully and truly the alleged violations to the CCI and in lieu of their 'vital disclosure' there will be lenient treatment with the respective person/institution in form of a lesser penalty than leviable under the Act or the rules or the regulations as the CCI thinks fit. The term 'vital disclosure' means full and true disclosure of information or evidence by the applicant to the CCI, which is sufficient to enable the CCI to form a prima-facie opinion about the existence of a cartel or which helps to establish the contravention of the provisions of section 3 of the Act.

There may be full or partial leniency in form of penalty reduction ranging from 100%, with a staggered reduction up to 75%, 50% and so forth depending on-

i. the stage at which the applicant comes forward with the disclosure;
ii. the evidence already in possession of the CCI;
iii. the quality of the information provided by the applicant; and
iv. the entire facts and circumstances of the case.

The full leniency (100% penalty reduction) may be granted only to the first applicant who has made the full, true, and vital disclosures to the CCI. The subsequent applicants i.e. second and third applicants also may be offered only partial leniency in penalty of 50% and 30% respectively by submitting evidence, which in the opinion of the CCI, may provide significant 'added value' to the evidence already in possession of the CCI. The term 'added value' means the extent to which the evidence provided enhances the ability of the CCI or the Director General, as the case may be, to establish the existence of a cartel, which is alleged to have violated section 3 of the Act.

Conditions for Lesser Penalty

The conditions for availing benefits of leniency programme are contained in Regulation 3 of the Regulations, 2009 which provides that the applicant must-

- cease to further participate in the cartel from the time of its disclosure unless otherwise directed by the CCI
- provide vital disclosure in respect of violation under section 3 of the Act
- provide all relevant information, documents and evidence as may be required by the CCI
- co-operate genuinely, fully, continuously and expeditiously throughout the investigation and other proceedings before the CCI
- not conceal, destroy, manipulate or remove the relevant documents in any manner, that may contribute to the establishment of a cartel.

> *While leniency programmes are the most effective cartel discovery tool today, they are only effective when paired with active search for and significant punishment of cartelists.*
>
> *-UNCTAD*

If any applicant does not comply with the conditions mentioned above, the CCI is free to use the information and evidence submitted by the applicant. Further, it is relevant to mention here that the applicant must provide the information before the receipt of investigation report.

Procedure for Grant of Lesser Penalty

The applicant or its authorized representative may, seeking benefit of lesser penalty, apply to the designated authority orally or in writing or through fax or email mentioning the following details-

- name and address of the applicant or its authorized representative as well as of all other enterprises in the cartel
- if the applicant is based outside India, the address of the applicant in India for communication including the telephone numbers and the email address, etc.
- a detailed description of the alleged cartel arrangement, including its aims and objectives and the details of activities and functions carried out for securing such aims and objectives
- the goods or services involved
- the geographic market covered
- the commencement and period of the cartel
- the estimated volume of business affected by the alleged cartel
- the names, positions, office locations and, wherever necessary, home addresses of all individuals who, in the knowledge of the applicant, are or have been associated with the alleged cartel, including those individuals which have been involved on behalf of the applicant
- the details of other Competition Authorities, forums or courts, if any, which have been approached or are intended to be approached in relation to the alleged cartel
- a descriptive list of evidence regarding the nature and content of evidence provided in support of the application for lesser penalty
- any other material information as may be directed by the CCI.

Thereafter, the designated authority has to put up the matter, within 3 working days, before the CCI for its consideration and thereupon the CCI assigns the priority status to the applicants in the order of their initial contact with it. 'Priority status' means the position of the applicant marked for giving the benefit of lesser penalty in the queue of the applicants. Accordingly, the applicant is being informed by the designated authority. Where the information is received by the CCI orally or through e-mail or fax, the applicant is required to submit a written application containing all the material information as specified above within a period not exceeding fifteen days or such further period as extended by the CCI. The failure of applicant to do so will result in losing the applicant's status moving up other applicants, if any, in queue. If the applicant does not properly cooperate the CCI, his application may be rejected by the CCI after providing due opportunity to be heard. The information relating to granting or rejecting the application is communicated by the CCI to the applicant.

Revocation of Lesser Penalty

The lesser penalty granted to a cartelist is conditional and it may be revoked whenever the CCI is satisfied that any cartelist to whom lesser penalty was granted had in the course of proceedings-

- not complied with the condition on which the lesser penalty was imposed by the CCI; or
- had given false evidence; or
- the disclosure made is not vital

and thereupon such cartelist may be tried for the wrong with respect to which the lesser penalty was imposed and shall also be liable to the imposition of penalty to which such person have been liable, had lesser penalty not been imposed.

Maintaining Confidentiality-

Section 57 of the Competition Act mandates that information relating to any enterprise, which has been obtained by or on behalf of the CCI or the Appellate Tribunal for the purposes of this Act, shall not be disclosed without the previous permission in writing of the enterprise.

Further, Regulation 6 provides that the identity of the applicant or the information obtained from it is confidential and the CCI is under obligation to not disclose the identity or the information obtained unless-

- the disclosure is required by law or
- the applicant has agreed to such disclosure in writing or
- there has been a public disclosure by the applicant

Recently, the constitutional validity of Regulation 6, inter alia, was challenged before Hon'ble Delhi High Court in Premier Rubber Mills v. Union of India & others claiming that the provisions of confidentiality under Regulation 6, inter alia, cannot override the mandate under section 57 as section 57 allows to disclose the confidentiality only in case of written permission of the enterprise but Regulation 6 provides additional grounds of disclosure. Hon'ble High Court, dismissing the petition, held that the challenged regulation is constitutionally valid.

Appeal

The order of the CCI regarding lesser penalty may be challenged in the Competition Appellate Tribunal which has been established under section 53A to hear and dispose of appeals against any direction issued or decision made or order passed by the CCI.

Implementing Leniency Programme in India: Current Scenario

The legal journey of leniency programme in India commenced with implementation of section 46 on 22 May, 2009 and issuance of the Competition Commission of India (Lesser Penalty) Regulations, 2009 on 13th August, 2009. But, the CCI could not receive any leniency application till 2013 (The Economic Times). The details regarding implementation of leniency programme in India (2009-10 to 2015-16) are contained in Table-I. It is evident from Table-I that this programme could not attract the cartelists.

Table-I: Imposition of Lesser Penalties under Section 46

Description	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number of matters in which lesser penalty imposed	0	0	0	0	0	0	0
Number of persons or enterprises on whom lesser penalty imposed	0	0	0	0	0	0	0
Number of persons granted full leniency and partial leniency in each matter	0	0	0	0	0	0	0

Source: Annual Reports, CCI, 2009-16

But, the CCI in its first ever case on 18 January, 2017 has implemented the leniency provisions in the case of In Re: Cartelization in respect of tenders floated by Indian Railways for supply of Brushless DC Fans and other electrical items wherein three firms i.e., M/s Pyramid Electronics, Parwanoo, M/s R Kanwar Electricals, Noida and M/s Western Electric and Trading Company, Delhi were found involved in cartelisation regarding the tenders floated by the Indian Railways and the Bharat Earth Movers Limited for the supply of Brushless DC fans and other electrical items by the Central Bureau of Investigation, New Delhi. After completion of investigation of the matter by the Director General, M/s Pyramid Electronics, Parwanoo firstly applied under leniency programme for lesser penalty. The CCI, being cognizant of the stage at which the applicant approached the CCI not at the very beginning but at a later stage in the investigation, and of the evidence already in possession of the CCI at that stage, granted 75% reduction in the penalty.

Proposed Draft on Lesser Penalty:

With the objective of encouraging more cartelists to report cartelisation and making legal machinery more effective and working, the CCI has proposed amendments in Regulations, 2009 by issuing 'Draft of Proposed Amendments to the Competition Commission of India (Lesser Penalty) Regulations, 2009'. It, inter alia, mentions that the applicant, seeking lesser penalty, has to provide the names of individuals, if any, who have been involved in the alleged cartel on its behalf and for whom lesser penalty is sought. Next, it has added that where the evidence furnished by the applicant to the CCI is not sufficient to enable the CCI to form a prima facie opinion about the existence of a cartel, the CCI through its designated authority shall inform its decision to the applicant.

Concluding Observations:

In every society, it is expected from everyone to follow the legal norms prevailing in the respective society and the wrongdoers, for not complying with legal norms, should be punished by the courts following the due procedure of law. But, such situation does not arise always. In some cases, where the detection of wrong is not easy, the State adopts other methods also like offering lenient treatment to a wrongdoer in exchange of providing complete, correct and vital information to the State authorities. Though, such leniency is not ethically justified as such benefit is going to be given to a person who himself is a wrongdoer but State has no other tools also to detect and punish the wrongdoers. For an effective leniency programme, the State must have skilled and efficient machineries of detection and punishment for cartelists. In this respect, a UNCTAD document mentions that 'a leniency programme is ineffective unless cartels are actively and significantly punished. If that precondition is not met, then it is rational to forego a leniency programme.' MA

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ROLE OF COST ACCOUNTANTS IN PREDATORY PRICING CASES

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The Competition Act, 2002

The Competition Act, 2002 (the Act) has been enacted to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India. Under the Act, an expert body called Competition Commission of India (Commission / CCI) has been has been established. Till 25th May 2017, Competition Appellate Tribunal (COMPAT) was acting as the Appellate Tribunal under the Act, With effect from 26th May 2017, Competition Appellate Tribunal has been merged with the National Company Law Appellate Tribunal (NCLAT). The Act prohibits anti-competitive agreements (section 3) and abuse of dominance (section 4); and regulates certain combinations involving enterprises with large assets or turnover (section 6). This paper deals with section 4 on abuse of dominance, to the extent, it relates to the cost accounting systems.

Three steps test

For holding an enterprise guilty of abuse of dominance under section 4 of the Act, the Commission applies a three-steps test involving the following stages:

(a) What is the relevant market ?

(b) Is the enterprise or group dominant in the relevant market ?

(c) Has the enterprise or group followed any of the prohibited practices ?

This test requires the Commission to first determine the relevant market and dominance of the enterprise or group in the relevant market. On establishment of the dominance, the Commission proceeds to examine if there has been an abuse of dominance by the enterprise or group in the relevant market.

Relevant market

Section 2(r) of the Act defines the relevant market to mean the market which may be determined by the Commission with reference to the relevant product market or the relevant geographic market or with reference to both the markets.

Relevant geographic market means a market comprising the area in which the conditions of competition for supply of goods or provision of services or demand of goods or services are distinctly homogenous and can be distinguished from the conditions prevailing in the neighbouring areas. For determining the relevant geographic market, the factors that may be considered are: (a) regulatory trade barriers; (b) local specification requirements; (c) national procurement policies; (d) adequate distribution facilities; (e) transport costs; (f) language; (g) consumer preferences; (h) need for secure or regular supplies or rapid after-sales services.

Relevant product market means a market comprising all those products or services which are regarded as interchangeable or substitutable by the consumer, by reason of characteristics of the products or services, their prices and intended use. For determining the relevant product market, the factors that may be considered are: (a) physical characteristics or end-use of goods; (b) price of goods or service; (c) consumer preferences; (d) exclusion of in-house production; (e) existence of specialised producers; (f) classification of industrial products.

Dominant position

For the purposes of section 4, 'dominant position'is defined to mean a position of strength, enjoyed by an enterprise, in the relevant market, in India, which enables it to(i) operate independently of competitive forces prevailing in the relevant market; or(ii) affect its competitors or consumers or the relevant market in its favour. According to section 19(4), to determine if an enterprise enjoys the dominant position or not, the Commission is required to consider all or any of the following factors:

(a) market share of the enterprise;

(b) size and resources of the enterprise;

(c) size and importance of the competitors;

(d) economic power of the enterprise including commercial advantages over competitors;

(e) vertical integration of the enterprises or sale or service network of such enterprises;

(f) dependence of consumers on the enterprise;

(g) monopoly or dominant position whether acquired as a result of any statute or by virtue of being a Government company or a public sector undertaking or otherwise;

(h) entry barriers including barriers such as regulatory barriers, financial risk, high capital cost of entry, marketing entry barriers, technical entry barriers, economies of scale, high cost of substitutable goods or service for consumers;

(i) countervailing buying power;

(j) market structure and size of market;

(k) social obligations and social

costs;

(l) relative advantage, by way of the contribution to the economic development, by the enterprise enjoying a dominant position having or likely to have an appreciable adverse effect on competition;

(m) any other factor which the Commission may consider relevant for the inquiry.

Abuse of dominant position

Any enterprise holding a dominant position in the relevant market is prohibited to abuse its dominant position. Under section 4(2) there shall be an abuse of dominance if the said enterprise follows any one or more of the following practices:

(a) directly or indirectly, imposes unfair or discriminatory condition in purchase or sale of goods or service; or

(b) directly or indirectly, imposes unfair or discriminatory price in purchase or sale (including predatory price) of goods or service; or

(c) limits or restricts production of goods or provision of services or market therefor; or

(d) limits or restricts technical or scientific development relating to goods or services to the prejudice of consumers; or

(e) indulges in practice or practices resulting in denial of market access in any manner; or

(f) makes conclusion of contracts subject to acceptance by other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts; or

(g) uses its dominant position in one relevant market to enter into, or protect, other relevant market.

Predatory price

One of practice prohibited under section 4(2) is predatory pricing. An enterprise or a group would be deemed to be abusing its dominant position if directly or indirectly, imposes unfair or discriminatory price, including predatory price, in purchase or sale of goods or service. Under the Act, the 'predatory price' is defined to mean the sale of goods or provision of services, at a price which is below the cost, as may be determined by regulations, of production of the goods or provision of services, with a view to reduce competition or eliminate the competitors.

Regulations for Determination of Cost of Production

Determination of cost of production is an important task to ascertain the practice relating to predatory pricing. Section 64(2) (a) of the Act empowers the Commission to make Rules with regard to the cost of production to be determined in the case of predatory pricing. Accordingly, the Commission has notified the Competition Commission of India (Determination of Cost of Production) Regulations, 2009 (Cost Regulations). Following are the key concepts governing cost factors:

a. Average variable cost would mean total variable cost divided by total output during the referred period;

b. Cost shall, generally, be taken as average variable cost, as a proxy for marginal cost. Of course, in specific cases, for reasons to be recorded in writing, the Commission may, depending on the nature of the industry, market and technology used, consider any other relevant cost concept such as avoidable cost, long run average incremental cost, market value.

c. Cost and its derivation may have reference to:

i. 'total cost' means the actual cost of production including items, such as cost of material consumed, direct wages and salaries, direct expenses, work overheads, quality control cost, research and development cost, packaging cost, finance and administrative overheads attributable to the product during the referred period ;

ii. 'total variable cost' means the total cost referred to in clause (i) minus the fixed cost and share of fixed overheads, if any, during the referred period;

iii. 'total avoidable cost' means the cost that could have been avoided if the enterprise had not produced the quantity of extra output during the referred period;

iv. 'average avoidable cost' is the total avoidable cost divided by the total output considered for estimating 'total avoidable cost';

v. 'long run average incremental cost' is the increment to long run average coston account of an additional unit of product, where long run cost includes bothcapital and operating costs;

vi. 'market value' means the consideration which the customer pays or agrees topay for a product which is sold or provided or can be sold or provided, as the case may be.

Role of Cost Accountants

Determination of 'cost' and the 'price' are key concepts under cost accounting world. Depending on the facts of the case, the parties can always rely upon the Cost Accounting Standards, Cost Accounting Record Rules, and Cost Audit Reports. In the Case No. 09 of 2013, the Order[1] by the Commission also referred to the guiding standards laid down by Institute of Costs Accountants of India for estimating the costs in customer specific projects. A member of the Institute of Cost Accountant being an expert with in-depth knowledge of these faculties, may offer his services in the following scenarios:

a. Regulation 3(2) of the CCI (Determination of Cost of Production) Regulations, 2009 provides that in arriving at the figures of costs, the Commission /Director General may take the help of suitable experts.

b. Regulation 4 of the CCI (Determination of Cost of Production) Regulations, 2009provides that where an enterprise disputes the cost determined by the Commission, it may, for reasons to be submitted in writing, request the Commission to appoint expert(s) for determining the cost. On consideration of the request made by an enterprise, the Commission may, if it so decides, appoint expert(s) of its choice, at the cost of the enterprise making there quest, to enable it to determine the cost.

c. Section 17 of the Act empowers the Commission to engage experts and professionals of integrity and outstanding ability, who have special knowledge of, and experience in, economics, law, business or such other disciplines related to competition, to assist the Commission in the discharge of its functions under this Act. The Commission has framed the Competition Commission of India (Engagement of Experts and Professionals) Regulations, 2009 detailing out the procedures to be followed for engaging such experts and professionals. Under the said Regulations, one class of expert and professional is 'Cost Accountant'. In this class, only a Cost Accountant in terms of the Cost and Works Accountants Act, 1959, who has worked as a Cost and Works Accountant in reputed organization handling business ventures of large enterprises or undertakings is eligible to be appointed.

Case Law

In a number of cases relating to predatory pricing, the authorities have dealt with the issues roving around cost accounting methodology and the principles relating to the same. Following excerpts from the decided cases highlights the huge overtones of cost accounting in the matters under consideration:

a. Competition Appellate Tribunal[2] in Appeal No. 15 of 2011 with IA Nos. 25/2011, 26/2011, 27/2011, 10/2012, 27/2012

While discussing the issue of average variable cost, total cost, total variable cost, the Tribunal observed as under:

These definitions would suggest that for arriving at the 'average variable cost', first, one would have to arrive at a 'total variable cost'. Now 'total variable cost' in the present case would be the 'total cost' as defined in Regulation 2(1)(c)(i) minus the fixed cost and share of fixed overheads, if any, during the referred period. We must appreciate that in this case, the average variable cost is claimed to be zero. This situation can come only by first arriving at the total variable cost being zero. In our opinion and there is good evidence available to suggest that the total variable cost cannot be zero in order to justify the zero available variable cost. It is only when the total variable cost is zero, then that zero cost is divided by total output cost. It need not be explained that when zero is divided by some figure, the result has to be necessarily a zero. Such is certainly not a case here. This situation could have come only and only, if total variable cost comes to a zero. It has not been shown by NSE that the total variable cost in this case was a zero or in other words, there was no total variable cost. The figures of the total variable cost have been provided by NSE in their confidential version. They had to show that their total variable cost was zero as their total cost minus the fixed cost and share of fixed overheads came to zero. It is only and only in this situation that their average variable cost could be zero. .... In our opinion, it is not necessary for us to go to the concepts of total avoidable cost and average avoidable cost or even long run average incremental cost, in the facts of this particular case, where the appellant NSE has not been able to convince us that the figure of total variable cost comes to zero. In fact, it is on this short ground that one can lead to the conclusion that NSE's claim that it did not at all have any total variable cost, in the sense that its total cost minus the fixed cost and share of fixed overheads came to zero. We, therefore, straightway reject this claim of the NSE that since it had zero average variable cost, therefore, they were justified in introducing a zero transaction fees policy.

b. Competition Commission[3] in Case No. 09 of 2013

In order to find out whether the opposite party resorted to the predatory pricing, the Commission has to give a finding that the prices of the goods or services of the OP were at a very low level with the object of driving out competitors from the market, who due to low pricing would be unable to compete at that price. In predatory pricing, there is always a significant planning to recover the losses if any after the market rises again and the competitors have already been forced out. It is considered that only a dominant company in such a market may have inclination and resources to finance such a strategy.

c. Competition Commission[4] in Case No. 80/2012

A party bidding for the provision of a service takes into account cost of his equipment, the life of equipment, the maintenance requirements of equipment, the operational cost and some reasonable returns on the capital invested. A party will bid at a price which is equal to the minimum of its' average variable cost to exploit scale economies. It will be not prudent for abiding firm to keep its capacity idle and bid at a price higher than its minimum average variable cost. Hence, the aspect of predatory pricing has to be looked from an appropriate cost benchmark.

Conclusion

With regard to the matters related to the abuse of dominance, Cost Accountants can play a vital role. Factors like transport costs; classification of industrial products; price of goods or services; end-use of goods; exclusion of in-house production etc. have huge cost accounting overtones. Incidentally, Competition Commission and the Institute of Cost Accountants of India have already signed Memorandum of Understanding on 8th July 2016 partnering with each other in the areas of mutual interest which includes competition advocacy, advancement of knowledge etc. Joint efforts may be made to conduct further research in line with the global practices to prepare appropriate guidelines on issues involving costing and pricing mechanisms. MA

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Theory and Practices of Cartels

An Overview in the Present Scenario

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In 1990, there were around 30 countries with a competition law in force. The increasing number of threats to healthy competition resulted into a scenario where over 100 countries are in various phases of enactment of a competition law. In this fast changing world, every economic policy is evaluated based on its long run practicability. However, every such implementation, following the obvious nature, creates new loopholes which, if exploited, make the economy face newer obstacles. It is argued that every decision towards economic growth affects social development, in one way or the other. The famous debate between two distinguished scholars of economics, Professor JagdishBhagwati and Nobel laureate Professor Amartya Sen is based on this relationship between growth and development. The economic reforms of 1991, which led to liberalisation and deregulation of the economy, providing more freedom to the private players in decision-making, brought the threat of cartelisation with it. Cartels are major barriers to free-trade, healthy competition and overall social development.

CARTEL – Economic and Legal Explanations

Cartel is an age-old economic concept and included even in the basic syllabus of economics. Adam Smith, in "The Wealth of the Nations" suggested,"People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."However, the definition of Cartel was next to non-existent in the MRTP Act in India. As a result, after the economic reforms, till the changeover to the Competition Act, 2002, i.e.- for nearly ten years, the private entrepreneurs exploited this gap and made attempts to create monopoly in the market. As per the United Nation's Conference on Trade and Development, cartels hit the poor, being both consumers and well as the small and medium entrepreneurs. As consumers, they suffer by the higher prices of essential goods and services fixed by the cartels whereas as small and medium players, they face entry barriers to the market that are outcomes of anti-competitive moves made by cartels.

Cartels have been an area of great legal disputes since long. Section 33(1) of the MRTP Act provided, every agreement falling within one or more of the specified categories shall be treated to be an agreement relating to restrictive trade practices. It included restrictions in respect of buyer or seller, supply of goods and services, price etc. However, no specific inclusion related to cartelisation was present in the act. The growing practice of cartelisation by the traders forced the legislature to incorporate a defined impression of Cartels in the newly implemented Competition Act. In order to prevent traders from further exploitation, the definition has been kept in an inclusive nature. Section 2(c) of the Competition Act provides that cartels include an association of producers, sellers, distributors, traders or service providers who limit, control or attempt to control the production, distribution, trading, sale or price of goods or provision of services by entering into an agreement amongst themselves. Cartel is in the nature of a horizontal 'Anti-Competitive Agreement' as mentioned under section 3 of the act. A horizontal agreement is an agreement, entered between enterprises engaged broadly in the same type of activity, which is assumed to result in appreciable adverse effect in the competition in India.In simple words, the burden of proof that the agreement has not resulted or will not result in adverse effect lies on the defendant. This agreement, need not be a formal or written agreement or intended to be legally enforceable, a mere oral and informal understanding by the parties will also hold good. There is no requirement as for the form of the agreement, means to accomplish the agreement or place of the agreement. It is the objective of the agreement that cause or likely to cause 'appreciable adverse effect' would be a necessary and sufficient ground to declare the agreement as anti-competitive. If the Competition Commission of India prima facie opines a case to attract this clause, it may order an investigation.

Cartel conducts can be broadly classified into – price fixing, output restricting, market sharing and bid rigging. Alternatively, one can also categorise cartels differently as private international cartels, import cartels, export cartels, domestic cartels, or even sovereign cartels like the OPEC or the International Copper Cartel.

It is said that the European Union and the United States of America prosecuted over 100 cartels.The United States of America, a believer of free-trade, itself faced difficulties in eliminating cartels from its own market. The Sherman Antitrust Act, which criminalises cartel conduct in USA, provides that every contract, combination, in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal. However, the Foreign Trade Antitrust Improvements Act requires the agreement to have a direct, substantial or reasonable adverse effect. This explicit language in the law had been a major setback to USA to catch every malpractice.

Famous Cartel Cases in India and Around the World

In the landmark judgement of UOI and others vs Hindustan Development Corporation and Others, the honourable Supreme Court identified three essential ingredients of Cartel, namely - price parity, agreement by way of concentrated action suggesting conspiracy and gaining monopoly or eliminating competition.

India is the second largest cement manufacturing nation in the World. In 2007, the MRTP Commission ruled that the cement manufacturers in India were acting in a manner which violates the law. A case was brought against ACC, Birla and others who held more than 50% of the industry, alleging that these companies have formed a cartel. However, the case was dismissed on the ground of absence of proof of the agreement. Later in 2016, CCI fined Rs. 6,714 Crore to Shree Cement Limited and other cement manufacturers including ACC, JP, Ambuja, Ultratech, Lafarge under the umbrella of Cement Manufacturers' Association, finding guilty of facilitating price collusion.

The five giants of tyre industry, MRF, CEAT, JK, Birla and Apollo under the aegis of the Association of Tyres Manufacturers Association (ATMA) were alleged to have indirectly determined the price of tyres in the market from 2011-12 to 2013-14, said a report of the Director General of CCI.

A recent article in the Economic Times, suspected cartelisation of the insurance industry in India. The sharing of data, uniform wordings of the policy documents, identical premiums and deductibles are said to be under the magnifying glass.

The same newspaper revealed a that a letter has been forwarded by a whistle-blower to the CCI alleging cartel between drug and pharmaceutical companies – Novartis, Abbott, Emcure and USV Pharma, regarding prices of the drug 'Vildagliptin'.

Very recently, the CCI ordered an investigation against telecom operators including Bharti Airtel, for forming a cartel against Reliance Jio. It further dismissed a similar petition by Bharti Airtel against Reliance Jio and Reliance Industries Limited for lack of proper explanation and prima facie evidence from the complainant.

The Supreme Court of India, for the first time since long, adjudicated upon two antitrust cases on substantive issues under the Act. In the first case, the Supreme Court, while deciding against the film and television artists' trade union in West Bengal, introduced the concept of 'relevant market' in the enforcement of cartel cases. The Supreme Court held that antitrust agencies and lower courts had to figure out if the firms were operating in the same relevant market. This requirement was not strictly necessary under the Act but was open to the interpretation of higher appellate authorities. In its second order, while upholding the CCI's finding of cartelisation by three aluminium phosphide tablets manufacturers for tenders floated by the Food Corporation of India, the Court finally settled the debate between CCI and Competition Appellate Tribunal on the proper methodology of calculating penalties. It held that penalties under the Act must not be arbitrary, should be based on principles of proportionality and must be levied on the 'relevant' turnover of a contravening multi-product firm rather than on the firm's entire turnover.

After the adoption of globalised and liberalised economic policies by the government of India in the early nineties, the MRTP Act, in spite of several amendments, failed to serve the purpose of eradicating anti-competitive collusions from India. The primary objective of introduction of the Competition Act,2002, as recommended by the Raghavan Committee, was to eliminate all avenues of exploitation by entering into unfair trade practices that reduce or remove competition in Indian market. A 'Cartel' is an agreement that attempts to reduce competition by restricting volume of production, market or regulating price of the particular service or commodity.

If we turn eyes to the rest of the world, we observe that India is not the only victim of cartelisation. The well-known case of Vitamin Cartel which operated from 1990 to 1999, made a turnover of USD 1.34 billion during that period. This cartel involved top players of this industry, like Rhone-Poulenc, Takeda Chemical, Roche AG and BSF Germany who divided the market geographically and fixed the price. The USA, European Union, Canada, Australia and South Korea, each investigated and prosecuted the cartel.

In 2002, the United States Department of Justice, under the Sherman Antitrust Act, began a probe into the activities of Samsung. US computer makers, including Dell and Gateway, claimed that inflated dynamic random access memory (DRAM) pricing was causing lost profits and hindering their effectiveness in the marketplace. Samsung Electronics Company Ltd. (Samsung), a Korean manufacturer of DRAM and its U.S. subsidiary, Samsung Semiconductor Inc., agreed to plead guilty and paid a USD 300 million fine for participating in an international conspiracy to fix prices in the DRAM market. Samsung's fine is the second largest criminal antitrust fine in U.S. history and the largest criminal fine since 1999.

According to recent reports, the Competition Commission of South Africa charged FMCG goliath Unilever for cartel conduct, referring to an agreement between the company and Malaysian firm Sime Darby Hudson Knight for prosecution. Earlier in 2011, Unilever and Procter & Gamble had been hit with fines totalling 315.2million euros for fixing the price of detergent powder in eight European countries.

Major Constraints

'Price Parallelism' has been used as an effective defence against cartelisation. The parallelism plus factor considered by various courts of USA and European Union requires presence of 'plus factor' beyond mere parallel behaviour by the market players to prove the existence of cartel. Allegations were discharged under similar ground in India in the case of DGIR vs Modi Alkali and Chemicals Ltd and others (RTPE 118 of 1994, order dated 1/3/2002) and DGIR vs Reliance Industries and others (RTPE 123 of 1989, order dated 31/5/2002). Determination of plus factor is difficult to prove many a time, especially where rival market players secretly join hands.

Where the buyer is a dominant market player, the supplier or suppliers may enter into a cartel to counter the dominant position of the buyer. In other words, an anti-competitive agreement may be entered into for the purpose of answeringto another anti-competitive practice. As a result, it adds to adverse effect in competition.

Increase in cost can be shown as an acceptable defence. Whenever enterprises, holding majority of the market, demand that the cost of production or sales has increased, it is rather difficult to prove the opposite. A claim of increased cost can be validated by inflation, better quality of output etc. However, costs can also be increased by increasing wastages, additional wage payments, excessive selling overhead through a change in marketing policy etc. A proper cost audit is expected to detect the avoidable costs and can be used as a tool to determine the justification of price rise.

Conclusion

It is evident that a worldwide movement against anti-competitive arrangements has begun. All nations started observing the importance of forming and implementing a strict legal framework to ensure fair and competitive market operations. Indian law has evolved to the modern structure through a series of amendments in the old act and then finally replacing it with a much updated version. Yet, loopholes still exist and market players effectively use them to control price, area and output. However, it is needless to say that ever since the enactment of the Competition Act, 2002, dealings in India has been put under better supervision by the CCI. It is high time for the enterprises to understand that no business can sustain in long-run with anti-consumer moves. A free and fair market environment is the sole way to help grow the economy and thereby every business in it. MA

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Interview with The Expert

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Q1. Kindly brief us on the applicable competition laws or regulations in respect of cross-border merger transactions?

A: The Competition Act, 2002 regulates combinations (mergers and acquisitions) with a view to ensure that there is no adverse effect of such a combination on competition in markets in India. Not all M&A transactions be required to be notified to the Commission. In terms of the Act, only such M&A transactions that meet the thresholds and are not exempted are required to be notified to the Commission.

There are no separate provisions related to cross border transactions. All combinations including such transactions, which are capable of affecting markets in India are assessed in terms of relevant provisions of the Act and regulations framed thereunder.

Section 32 of the Act enables Commission to inquire into a combination taking place outside India but having an effect on competition in India. In cases that involve multiple jurisdictions, the Commission engages and seeks cooperation with other competition agencies in respect of substantial issues, including remedies.

Q2. "Protecting competitive markets is not just the interests of incumbents; it is essential for India to reap benefit from innovation-driven markets". Your views in this regard.

A: We are living in an age of almost relentless disruptions caused by technology and innovation. New innovations are challenging the status quo and radically altering markets and business landscapes across many sectors. Competition creates incentives for innovation, which is *critical for consumer choice and dynamic efficiency. Thus, it is imperative to keep the markets competitive and the playing fields level, so as to preserve the incentives for both incumbents and new entrants to innovate and contribute to the competitiveness and growth of the economy. This is particularly important in industries where innovation is a key dimension of competition.*

The Competition Act, 2002 proscribes anti-competitive agreements and abuse of dominant position by enterprises. When a dominant incumbent uses its market power to stifle new challenges or when innovators get together to hinder competing innovation or when a merger between innovating firms are likely to affect diversity by eliminating an independent innovator, the competition law steps in. The Competition Commission of India has received a number of cases from such sectors where disruptive innovators have challenged established markets, incumbents and the traditional ways of doing business. The Commission's endeavour has been to strike the right balance so that markets remain truly open to innovative entrants while the incumbents in these dynamic knowledge sectors maintain their incentive to innovate.

Q3. How effective are leniency programmes to enforce competition law against hard core cartels in India?

A: Leniency programs are universally accepted as one of the best way to detect cartels.In India, Leniency provisions are enshrined in Section 46 of the Competition Act, 2002. The Competition Commission of India has also brought out the implementing regulations – 'The Competition Commission of India (Lesser Penalty) Regulations, 2009'.

In line with international leniency programs, the first cartel participant to approach the Commission either to disclose the cartel or to assist the Commission in establishing the cartel, can avail a benefit of upto or equal to one hundred percent reduction in penalty. Even the subsequent applicants can avail benefit of upto or equal to fifty percent to thirty percent reduction in penalty under the said Regulations.

Though the leniency provisions were introduced in India in 2009, it is only recently that the program has garnered momentum. It is expected that as the enforcement activity of the Commission increases in the years to come, the lesser penalty provisions would become a significant source of cartel detection and deterrence in India and assist in enforcement of competition law against hard core cartels.

Q4. In what ways do you think advent of GST would append mileage to the Competition Act to skirmish unfair trade practices in India?"

A: The GST aims to provide a more simplified tax regime, wherein plethora of Central and State taxes have been subsumed under a single tax, with a view to create a single market and allow seamless flow of goods and services across state borders. The advent of GST will also facilitate both domestic and international investments and create more dynamic and vibrant markets with ease of doing business and improve competition in India. The mandate of the Commission under Competition Act, 2002 is to prevent anti-competitive practices which causes appreciable adverse effect on competition in the markets in India including anti-competitive agreements (section 3) and abuse of dominant position(section 4) by an enterprise. The CCI as a competition regulator have to be more vigilant on any market distortions especially where entities/ firms display profiteering behaviour on account of their having an anti-competitive agreement or enjoying a dominant position. In future, with a view to bring a level playing ground in the Indian markets, CCI shall work in tandem with GST authorities to curb such anti-competitive conduct.

Q5. What are the key features of compliance programme regarding risk identification and risk mitigation?

A: The support of senior management is essential for any effective competition compliance programme. The compliance programme should be able to identify risk on the basis of the nature and size of business concerned. For instance, in case of cartelization, the risk usually arises when the employees of a business attends meeting with the staff of its competitors. This can take place in the form of trade association meetings. In such cases, risk of cartelization can be mitigated if the employees are aware about the nuances of competition law and know that commercially sensitive information is not to be shared with the competitors.

Q6.In what means, competition law in India is different from that in the US or the European Union?

A: The Competition Act, 2002, the extant competition law of the nation, was enacted repealing the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act) to suit the requirements of the new economic architecture instituted by the economic reforms of the nineties. The new competition law embodies the post-liberalisation philosophy of competition as the cornerstone of well-functioning *markets. It is a state-of-the-art legislation structured on best global templates. While drafting the new law, not only the competition laws in other mature jurisdictions were closely studied, the design of the law also suitably incorporated elements from the jurisprudence in other jurisdictions, particularly that in the EU and the US. The Indian Competition Act is largely patterned on the EU law. However, there are certain difference keeping in mind the peculiarity of Indian markets. The US law does not recognize the concept of Dominant position. Indeed, it still emphasize on the term monopoly and monopolization.*

However, despite many areas of convergence, there are some distinctive features of the Act. The Indian competition law is a civil law. It only intends to prohibit anti-competitive practices and to impose pecuniary sanctions on the erring enterprises, including in the case of cartels for the pursuit of consumer welfare. This is in contrast with the US antitrust law which considers an antitrust act as a felony and has provisions for imprisonment. Lastly, the EU competition law is of administrative nature.

The Indian competition law, unlike the statutes in other jurisdictions, provides an unambiguous and explicit guidance to the assessment of relevant market, dominant position, appreciable adverse effect (AAEC). The Act defines relevant market, dominant position and provides a holistic framework for determination of these issues by listing out the factors which are to be relied upon. The Act further explicitly lays down the factors that should guide the assessment of appreciable adverse effect on competition resulting from agreements and combinations under a 'rule of reason' approach.

In view of the nascence of the regime and the importance of advocacy in creating awareness of the law and a compliance culture in the economy, the Act mandates advocacy by the Commission. Envisaging the likelihood of overlapping issues that may concern both a sector regulator and the competition regulator, the Act has enabling provisions for mutual consultation.

Q7. E-commerce is the latest channel of distribution of products to the consumers and is growing exponentially over the years. In what ways does Competition Act impose its impact on online/e-Commerce businesses?

A: *Emergence of e-commerce has challenged the erstwhile distribution channels which were operating through brick & mortar establishments. It has changed the way competition works in the sense there are lesser search costs and transaction costs; geographic boundaries have blurred; choice of goods is available at a click away etc.Accordingly, the type of competition concerns that may arise have also changed to some extent. However, despite the observed impact of e-commerce on the way competition works, it is quite an accepted position that e-commerce generally does not require the application of a specific regulatory regime.*

E-commerce entails agreements between online portals and individual manufacturers/sellers of good/services. Most competition concerns raised by vertical restraints (VRs) in the traditional commerce will also occur in e-commerce although they may have different implications owing to the peculiarities of e-commerce segment.

Similar to the commercial relations in traditional distribution channels, various agreements containing price and non-price restraints are inevitable in e-commerce segment too, but since these agreements are necessary to protect the commercial rights of the parties, the Commission is very cautious in dealing with cases that fall under Section 3(4) of the Act (vertical agreements);

Besides, traditional concerns associated with VRs (e.g. VRs being facilitative of collusion and/or leading to softening of competition); novel issues like 'across platforms parity' agreements (APPA) or 'retail most favoured nation' clause (retail MFN), have also arisen in e-commerce segment. MFN clause is an agreement between a seller and an electronic trade platform where the seller undertakes not to charge on that platform a price that is higher than the price that he charges on other platforms.

In cases concerning e-commerce segment, the focus of the Commission is as follows:

- *Ensure level playing field to online platforms;*
- *Ensure that online channels are not unnecessarily restricted from operating as a distribution channel;*
- *At the same time, ensuring that these online portals do not resort to anti-competitive agreements like MFN/ APPAs with the manufacturers of goods;*
- *Although it's a rare possibility considering the present competitive dynamics, the Commission has the power to intervene and correct market distortions, if any, created by abuse of dominant position by any of the e-commerce website.*

Q8: Kindly throw light on the techniques applied by CCI to deal with predatory pricing in India?

A: *Section 4(2)(a)(ii) of the Competition Act, 2002 (Competition Act) prohibits a dominant enterprise from directly or indirectly imposing an "unfair or discriminatory price in purchase or sale (including a predatory price) of goods or service". This provision largely mirrors the* *language of Article 102 of the Treaty on the Functioning of European Union (TFEU), and although it specifically refers to "predatory prices", it does not make any such specific reference to "excessive prices".*

The term "predatory price" has been defined in explanation (b) to Section 4 of the Competition Act as sale of goods or provision of services, at a price which is below the cost, as may be determined by regulations, of production of the goods or provision of services, with a view to reduce competition or eliminate the competitors.

Further, the Commission has framed the Competition Commission of India (Determination of Cost of Production) Regulations, 2009 for determination of cost and accordingly, it provides that "cost" for the purposes of the Explanation to section 4 of the Act shall be generally taken as average variable cost, as a proxy for marginal cost. Further, it provides that in specific cases, for reasons to be recorded in writing, the Commission may, depending on the nature of the industry, market and technology used, consider any other relevant cost concept such as avoidable cost, long run average incremental cost, market value.

In MCX Stock Exchange Ltd. &Ors. v. National Stock Exchange of India Ltd. &Ors., CCI found thatNational Stock Exchange abused its dominant position in certain markets to protect its position in currency derivatives market through predatory pricing. The Commission found that there was cross-subsidisation of the NSE's currency derivatives segment by revenues generated in other segments where NSE enjoyed virtual monopoly. NSE was found to have engaged in a 'zero price policy' for its currency derivatives segment, making it nearly impossible for smaller newer entrants to effectively compete. NSE was directed to stop this conduct immediately and maintain separate accounts for each segment to avoid similar cross-subsidisation in the future.

Q9.Can Antidumping and Competition Law co-exist? Is it feasible to replace Rules on Antidumping with Rules on Competition?

***A**: Antidumping law was initially enacted to complement competition law but they have evolved differently and are often at crossroads. Unlike competition laws, trade policy including Antidumping laws are aimed at opening markets to exporters and protecting domestic industries, and not at optimizing economic efficiencies and consumer benefits. Antidumping law can have both anti-competitive and pro-competitive effects as it may be used by governments to protect an inefficient domestic industry harming competition. On the other hand, if antidumping laws are applied strictly to capture the practice of 'international price predation' devoid of any dominance or intent, then, in such cases, application of anti-dumping laws may complement the objectives of competition law.*

There is ambiguity with regard to the relationship between antidumping and competition law. There is no uniform view on the relationship between antidumping and competition law. Some argue that antidumping law is an extension of competition law, to the extent that it addresses the issue of 'international predation'; while others argue that the body of antidumping law as it exists and as it is applied, is inherently protectionist in nature and is thereby antithetical to the principles of competition law. Considering that the competition law regime in India is still evolving, it can be argued that antidumping laws should best be used to complement and supplement competition law in India to create a level playing field for domestic and foreign firms to promote competition.

Q10. Raising the competition advocacy among the common mass is an important step towards creating a competition culture within the country. Please suggest in what ways cost and management accountant (CMA) professionals may offer their expertise more effectively in this quest.

***A**: The Competition Commission of India is mandated under the Competition Act to undertake advocacy initiatives which creates a culture of competition in the economy. The Commission has been engaging with all the stakeholders including trade associations, consumer associations, government agencies, professional and educational bodies, bar associations and students in particular, so that the awareness about competition law reaches to wider section of society. The enforcement and advocacy measures cannot achieve required goals without support of all the stakeholders. One of the important stakeholders is the Indian accounting community. In their important role as financial advisers to the business world, the CMAs can play an important role for developing Competition Compliance Programmes for their clients/companies. With the active support of professionals like CMAs inadvertent violations of the Act can be curtailed significantly and the businesses can become compliant with the competition law regime. We are expecting a much deeper engagement with the Institute in near future.*

Electronic Payments Processing Ecosystem

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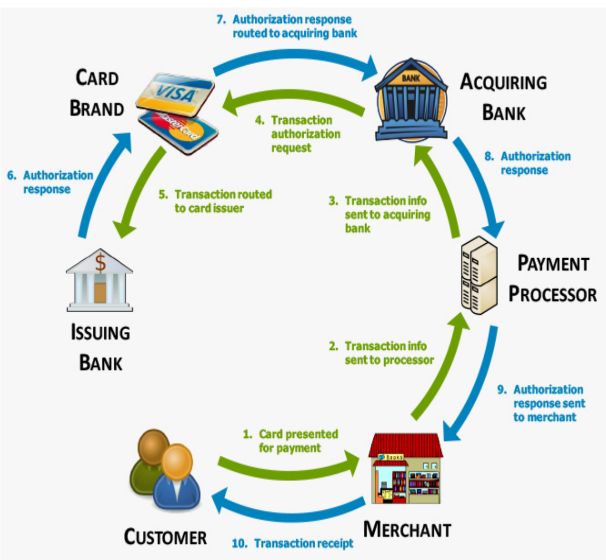
Over the last two decades there has been a phenomenal increase in online transactions and consequently online payments using debit or credit cards. Be it an order on an e-commerce site such as Amazon or Flipkart, or the payment of a utility bill such as BSNL or CESC, all such card based transactions are supported by the 'Payments Processing Ecosystem'. To put in the simplest of terms, 'Payments Processing Ecosystem' is the overall system which facilitates transfer of funds between buyers and sellers using a standardised platform which connects these two parties. It includes financial institutions, service providers, instruments, rules, procedures, standards and technologies that make it possible for the two parties to complete the exchange of financial information and funds. Here we explain the various parties in the payments ecosystem.

The following image shows a typical online payment process using a debit or credit card.

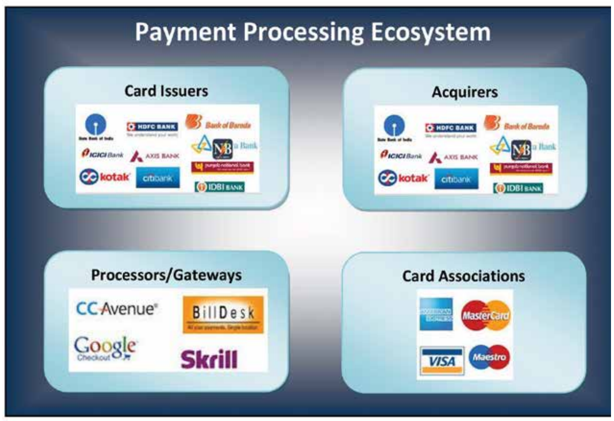
Figure 1: Online transaction cycle



Typically when a customer places an order on an e-commerce site (denoted by 'Merchant' in the figure above) to buy an item, he has to select a payment method. Usually a variety of payment methods are made available such as debit card, credit card, netbanking, payment wallets and so on. Once the customer selects his preferred payment method as a debit or credit card, he is taken to the payment gateway. On the payment gateway page he has to enter the card number, the expiry date of the card, the card holder's name, name of the card issuing bank and the card brand. These details are then sent over the internet to the issuing bank to authenticate and approve the transaction. Once the transaction is authenticated and approved it is recorded by the merchant bank and the order is completed.

Constituents of the Payment Ecosystem: The following image shows the various parties included in the Payments Ecosystem. We will discuss these components individually.

Figure 2: Components of Payment Processing Ecosystem



Card Issuers

Card Issuers are the banks which enter into a contract with the customer and issue the cards to them. They are the source as well as the destination of all the cash that gets transferred between parties in any transaction. At the end of the billing period the issuer bills its customers for the amount of purchases made using the card issued along with other charges and fees such as interest on overdue payments, cheque dishonouring charges, foreign exchange charges and annual charges. During settlement the card issuer settles the merchant's bank account by transferring the amounts due after deducting interchange fee. Interchange fee is a fee charged by the card issuer to the merchant's bank for the use of its card on the merchant's network. This fee is decided by the card association and varies based on the card type and the nature of the transaction. Usually online transactions attract a higher rate of interchange

Card Association have a set of operating rules and procedures which the member banks have to follow in order to use the card network. They dictate the points or merchants where the cards can be used to make payments. They also determine the interchange fees that the acquiring bank has to pay to the card issuer for use of the card on its network. Ultimately a part of the interchange fee charged by the card issuer goes to the card association.

fees due to higher risk of fraud and unauthorized use. Usually the interchange fee forms a major part of the earnings of a card issuer. Often card companies earn revenue by selling anonymised customer's data to various retailers for analytical and advertisement purposes.

In India card issuers are the various scheduled banks (both public sector and private sector banks) and a few foreign banks (such as HSBC, Citibank etc.). If you see your own credit/debit card you can identify the issuer by the bank logo on the card.

Acquirers

An acquiring bank or simply an acquirer is a bank that processes card payments on behalf of a merchant. Any merchant who wants to accept payments through cards first needs to enter into a contract with an acquiring bank. The acquiring bank sets up a relationship with the merchant and offers an account to the merchant. The acquirer is responsible for exchanging funds with issuing banks of the merchant's customers. During settlement the net proceeds from all the payment card activities are paid into the merchant's bank account. Net proceeds include the gross sales made by the merchant using cards, minus any card based refunds (called chargebacks) and various fees (including interchange fees). The acquirer also accepts the financial risk that the merchant will remain solvent, and has to comply with regulatory and security requirements.

When you make a payment using your credit or debit card at a retail shop (the merchant) you may notice the card swipe machine bears the logo of some or the other bank which is actually the acquiring bank and owns the swipe machine and the associated setup.

Payment Gateways

A Payment Gateway is a service that authorizes card based transactions both at online and physical shops. It acts as a mediator between the website or PoS (point of sale machine) and the payment processor. It facilitates the transaction by moving the card information between the merchant site or PoS and the front end processor or the acquiring bank. Payment gateways and processors work in perfect coordination to complete a transaction within a few seconds and often both of these services are provided by a single company.

Payment gateways earn their revenue by charging a per-transaction fee to the merchant where the card is used. Sometimes the gateway may also charge a fee to the paying customer directly by levying a percentage on the transaction value which gets added to the final payment amount.

Payment Processors

Payment Processors handle the transaction processing from various acquiring banks and are usually of two types, front-end and back-end processors.

Front-end processors are associated with various card networks and are responsible for authorizing the transactions and settling the merchant's account. Back-end processors accept settlements from the front-end processors and move the funds from the issuing bank to the merchant's bank. After the card details are entered on the payments page the processor connects to the payment gateway and the information is forwarded to the card issuer or the card association for verification. The processor also takes anti fraud measures to prevent unauthorized use of the card. After receiving a positive verification result the processor relays the message to the merchant site to complete the order. If a negative verification result is received the processor relays the information to the merchant site which then declines the transaction. Together the processor and gateway serve as the link between the buyer and the seller to exchange financial information.

There is another type of processors called 'Full Stack Processors' which provide the services of both a processor and a payment gateway. Paypal is one such processor which also acts as a payment gateway.

CCAvenue and Billdesk are two processors whose services are widely used in India. You may have noticed these names when making an online payment using your credit or debit cards.

Card Networks or Associations: A Card Association is a network of issuing and acquiring banks that process payment cards of a specific brand. They have a set of operating rules and procedures which the member banks have to follow in order to use the card network. They dictate the points or merchants where the cards can be used to make payments. They also determine the interchange fees that the acquiring bank has to pay to the card issuer for use of the card on its network. Ultimately a part of the interchange fee charged by the card issuer goes to the card association.

Thus a card association is responsible for setting up, maintaining and operating the card network in a fashion which can be accessed and used by its members. It facilitates the payment process between the card issuer, the merchants and the users by transferring the information. However, it does not actually transfer the funds between the parties involved.

Visa, Mastercard, American Express, Discover, JCB, Diner's Club are some of the most common card associations. Out of these American Express and Discover are also card issuers and American Express is also a card association. In India a new card association called 'RuPay' was launched in 2012. Promoted by the National Payments Corporation of India it has been setup as a low cost alternative to Visa and Mastercard.

The constituents discussed above together ensure a stable payment system for a seamless user experience. Any interruption at any of the stages will casue a service disruption and may lead to a failure at some point or the other. Inspite of all the conveniences that cards provide there are a few challenges such as high cost for the merchants, disruptions in the network, risk of fraud and financial risk. An efficient ecosystem should strive to remove or minimize these challenges to further boost the use of cards.

Conclusion

With increasing dominance of e-commerce and m-commerce there has been a tremendous increase in the use of non-cash methods of payments. As per the annual figures published by the card networks, the six major card companies together generated more than 220 billion transactions for a total monetary value of over USD 26 trillion at merchants in 2015. Of these, Visa and Mastercard together generated about 75% of the total transactions. As the economies develop and globalization and standardization become more prevalent non-cash payment methods will be used for widely. It is now more important than ever to have a safe, secure and efficient payments ecosystem that can provide a seamless service to all while reducing frauds and failures to the minimum. MA

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Apportioning joint cost over Joint Products in ERP SAP

Joint product costs occur in many industries, particularly agricultural product industries, dairy, chemical process industries and extractive industries,where there are two or more products of equal or unequal importance are produced either simultaneously or in the course of processing of the main product. In all these industries, the management is faced with the problem of valuation of inventory, pricing of products and income determination, problem of taking management decision in further processing of joint products after the separation stage, etc.

The main problem faced in the case of joint product is the apportionment of the total cost incurred up to the point of separation of joint products. In the case of costs incurred after the split-off point there is no problem, as these costs can be directly allocated to individual joint products. By-products, on the other hand, are outputs from the joint process but they are relatively minor in quantity and/or value.

Method of apportioning joint costs over Joint products

As per the Cost Accounting Standard on Joint Costs(CAS-19), the joint cost shall be assigned to joint products based on benefits received, which is measured using any of the following methods:

a) Physical unit method

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b) Net realisable value at split-off cost

The second method, Net realisable value at split-off cost is the most popular and appropriate method because it makes use of a realistic and dynamic basis for apportioning joint costs. Under this method joint costs are apportioned after ascertaining "what the traffic can bear". In other words, the products are made to bear a proportion of the joint cost on the basis of their ability to absorb the same. Market value means weighted market value i.e. units produced × price of a unit of joint product.

Let us see how this apportionment of Joint Cost process up to the split-off stage by the second method, is taken care in ERP SAP Environment with or without Production Planning module available.

Production Planning Module in SAP:

In order to cater to the needs of production environment, we need to implement Production Planning(PP) module of SAP. Production planning is the process of aligning demand with manufacturing capacity to create production and procurement schedules for finished products and component materials. It tracks and makes a record of the manufacturing process flows, for example, the planned and actual costs. It also tracks the goods movements from the conversion of raw material to semi-finished goods. It is fully integrated with the other SAP modules: SD, MM, QM, FICO & PM.

Apportionment Structure in Material Master:

Now, in the case of apportionment of joint costs, the apportionment structure is provided in the Material Master to enter the ratios of apportionment, perhaps based on the net realisable value at the time of entry. When we want to provide different ratios of apportionment for Materials, Labour and overhead, we can use another optional functionality, called 'Source structure' where we have to enter the ratios i.e equivalence numbers for the different groups of General Ledger accounts which are grouped by nature of the expenses. This functionality is rarely used.

As per the standard design, SAP takes care of apportionment of joint costs both in plan and actual costing, by the fixed ratios based on the net realizable rates of Joint products, as entered in the Material Master or in BOM but it is not dynamic based on the prevailing market prices of the joint products. Now, let me explain how this has been taken care in one of our SAP implementation of a Dairy industry.

Joint Products in Dairy Industry:

In the case of Dairy industry, the milk is collected from the farmers who also do dairy farming so as to supplement their income and refrigerated in Chilling plants at various location. Then this milk is collected through milk tankers and brought into a big Dairy plant where it is further processed and packaged for being sold in nearby Towns and Cities. The milkis an emulsion of butter fat globules within water based fluid that contains dissolved carbohydrates and protein.

When the milk is fed into the Centrifugal cream separator machines, the fat globules are separated and collected as cream. The resultant skimmed milk after the removal of fat globules contains solids not fat(SNF) which is fed into the powder making machines to produce Skimmed Milk Powder. This skimmed milk powder is a very important product which contains proteins, vitamins and minerals and it is much in demand from defence sector. Moreover, the skimmed milk power is also used to make up the SNF percentage in the incoming milk to meet the mandatory requirement of 8.50% as per PFA when it is being sold. The fat percentage will vary from 1.5% to 4.5% as per the type of milk.

The Cream is further processed to get butter and then butter is melted so as to get Ghee/Butter oil. We have by-product Butter milk when we process cream into butter and casein when butter is melted into Ghee. These by-products shall have fixed price since they are not much significant, and the main product get the due credit. The dairy industry is seasonal and the market prices of the milk products are volatile as per the market conditions. In the case of Ghee, the price reaches the peak in the festival season particularly in the states of north-western India.

The estimated cost of the joint products, Cream and skimmed milk shall be based on the average net realizable value of them as ratios which will help the system to estimate the cost of the joint products. Net realisable value of cream and skimmed milk has to be arrived by deducting the process costs, packing materials cost incurred after the split-up and input-output ratios, margin from the sales prices of Butter and Skimmed Milk Power(SMP) respectively.

During the actual production, the process orders will be created for a day or shift in the Production Planning module, where the raw processed milk is issued and the production quantities of outputs, skimmed milk and cream are confirmed. In addition, the cycle time of using the facilities of Cream separators is also confirmed so as to charge the cost incurred towards Machine, direct labour, Utilities and Production Overhead. During the creation of Process orders the ratios as equivalence numbers between the joint products are copied into the Settlement rule from the Material Master.

S.No	Joint products	Equivalence Nos.	Valid from	Valid to
1	Cream	200	01.10.2016	31.12.9999
2	Skimmed Milk	100	01.10.2016	31.12.9999

In order to infuse dynamism in this actual costing, the ratios are computed based on theestimated net realisable value of the cream and skimmed milk on the prevailing market conditions as described above for the month of October being the festival month, by a customized programme and it updates the equivalence numbers in to the settlement rule of the process orders which were created and used in that month with a validity of a month as shown below.

S.No	Joint products	Equivalence Nos.	Valid from	Valid to
1	Cream	260	01.10.2016	31.10.2016
2	Skimmed Milk	110	01.10.2016	31.10.2016

At the month end, all the process orders which have been used, will be taken up for month end closing activities, like changing the status of the Process orders as technically completed, Preliminary settlement of Joint Products, variance calculation, WIP Calculation and then finally settlement. While doing settlement, the financial documents are posted. Through this innovative method, we got the right and appropriate cost of production of Joint Products since this is the fulcrum of the whole costing system of Dairy products.

Joint products in Sub-contracting environment

In the case of Agricultural Industries, the agricultural commodities are processed through the sub-contracting route where the raw materials are issued to the Subcontractor and then he brings back the finished/ graded products back. The processing charges are paid to the Subcontractor. Here the joint costs mainly consist of Raw material cost and the processing charges. These joint costs have to be allocated between the finished/ graded products.

In SAP, we can create Sub-contracting purchase orders with outputs and components of raw material, packing materials, other required incidental materials in a parent- children relationship, as illustrated below. The quantities are captured based on average input-output ratios. We can take a simple example of issuing Wheat and getting joint products Maida and Bran. Here, the Bran is recognised as Joint product not as a by-product by the business of the client.

S.No	Products	Quantity	UOM	Rate	Currency	Per Unit
1	Maida	70	MT	5000	INR	MT
1A	Wheat	70	MT			
2	Bran	30	MT	5000	INR	MT
2A	Wheat	30	MT			

Now, the raw materials are transferred to the sub-contractor in the system even though the material remains in the books of the issuer. When the sub-contractor brings back the outputs, the Goods Receipt Note(GRN) is booked in the system where the raw material Wheat is consumed and the finished products are valued and taken back. By standard, the SAP allocates the raw material cost between the joint products by physical unit method and the processing cost is absorbed into the Products without any allocation. The standard apportionment of joint cost happens as illustrated below. The subcontractor is paid Rs.5000/- per MT of output and the Wheat's procurement price is Rs.20,000/- per MT.

S.No	Products	Quantity	UOM	Rate	PER UNIT	Joint Cost in Lakhs	Per MT
1	Maida	70	MT	5000	MT	3.5	
1A	Wheat	70	MT	20000	MT	14	

S.No	Products	Quantity	UOM	Rate	PER UNIT	Joint Cost in Lakhs	Per MT
					TOTAL	17.5	25000
2	Bran	30	MT	5000	MT	1.5	
2A	Wheat	30	MT	20000	MT	6	
					TOTAL	7.5	25000

Here, both the Maida and Bran's cost works out to be the same at Rs.25,000/- per MT which is not at all right and which may invite critical audit point. Hence, we are invariably required to adopt the net realisable/market value method. The business is maintaining the ruling market prices of all major products in the system for the purpose of management decision making, for example, we take Maida's market price at Rs.50,000/- per MT and Bran at Rs.20,000/- per MT.

The ratio between the market value of the outputs have to be arrived and accordingly the joint costs have to be apportioned in the SAP System. SAP is providing enhancements called BADI-Business Add Ins, to the standard coding of SAP so that the business can insert necessary coding in to the SAP system to accommodate specific user requirements.These BADIs are available in the Customization section of the ERP itself. But we need the efforts of technical consultants to write the code and at the same time, we need to give the necessary inputs on the availability of data at table level and formula of calculations, etc.

We have found that there are around fourteen BADIs attached to this important transaction GRN which is done through transaction code MIGO to take care of almost all user and industry specific requirements. In this, we have found one BADI which allow manipulating the quantities of raw materials even though it mirrors the quantities entered in the Purchase orders to the line items of GRN. Hence, the apportionment is captured in the Materials Management functionality itself and then it is passed on to the Finance Module for the purpose of accounting. The quantities and values will be in sync in both the modules. The market value and the ratios that are arrived at by the system as illustrated below.

S.No	Products	Quantity	UOM	Market Rate	Per Unit	Market Value in Lakhs	Ratios
1	Maida	30	MT	50000	MT	15.00	51.72
2	Bran	70	MT	20000	MT	14.00	48.28
					TOTAL	29.00	100

When we apply the ratios to revise the intake of Wheat against each joint product and consequentially the proportion of joint costs of raw material and processing cost in between them varies as illustrated below.

S.No	Products	Quantity	App.Qty	UOM	Rate	Per Unit	Joint Cost in Lakhs	Per MT
1	Maida	30.00	51.72	MT	5000	MT	2.586	
1A	Wheat	30.00	51.72	MT	20000	MT	10.345	
						TOTAL	12.931	43103

S.No	Products	Quantity	App.Qty	UOM	Rate	Per Unit	Joint Cost in Lakhs	Per MT
2	Bran	70.00	48.28	MT	5000	MT	2.4138	
2A	Wheat	70.00	48.28	MT	20000	MT	9.655	
		100	100			TOTAL	12.069	17241

Now, we have apportioned both the raw material cost and processing charges so as to get realistic cost of production for Maida and Bran. This is a very simple example which is being explained here for easy understanding, but in reality, we have addressed some more complex requirements by having couple of variants of the enhancement and customized screen to capture partial outputs and inputs for partial deliveries, etc. In the caseof Coffee subcontracting, where coffee beans are issued in bags and the subcontractor brings back not less than half a dozen graded products in bags of different weighments in killograms. Here, there is usage of two UOMs, one for valuation purpose and another to take care of the weighment of producethrough the functionality called 'Catch Weight Management' which has been activated in the SAP system.

Conclusion

Thus, through innovative exploration and applicationonly, we can able to customize the right and appropriate solutions to the customers as we have seen in the above joint cost apportionment, particularly in the case of sub-contracting. At times. the financial persons have to transgress in to other module's domain so that the valuation is taken care in the books as we have seen in the above example of sub-contracting where we need to work in the GRN functionality which is an exclusive domain of Material Managementteam so that we have got the right valuation on a real time basis much to the delight of the client. Otherwise, we need to work on the revaluation of products once it is posted in to the finance through price change functionality, which involve lots ofunnecessary postings in to the system in the midst of lots of practical difficulties. Hence, the SAP Financial Consultants have got great responsibility in almost all SAP Implementations and they need to imbibe and sustain the spirit of exploration of innovative ideas and perseverance from the great words of Dr.A.P.J. Abdul kalam, which says 'If you believe you are right, but still people criticize you, hurt you, shout at you, don't bother. Just rememberthat "In every game, only audience makes noise, not players." Be a player, Believe in yourself. And do the best.' MA

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Business Transactions Redesigning:

Are We GST Ready at Entry Level?

Lets Have a Check

1st July, 2017 is the 'Red Letter Day' in the history of Indian 'Indirect Tax Era'. GST is being rolled out from this day. All speculations have come to an end and we all have to tighten our belt for next few months for complying with the complicated GST Return requirements. Moreover, to comply the needs of GST Returns with respect to discharge of liabilities, Input tax Credit, Reversal, Re-credit, Matching etc, we may have to re designe our Accounting Entry Process in the line of statutory requirements under GST.

In this Article, I will discuss the scheme of entries should be processed to comply with the GST Provisions for both 'outward supply' and 'inward supply' along with the relevant provisions. These entries particularly pertains to the Long term 'EPC' Contracts. I have already discussed the procedure and accounting entries for 'EPC' contracts in the existing regime in my three consecutive articles published in November, 2016, December, 2016 and January, 2017. Procedures and accounting treatment needs to be re oriented to some extent in GST regime for smooth sailing and control purpose. Please note, many organizations might be following these procedures. These entries are for those who do not follow these till now.

A advance from 'customer' and subsequent running a ccount bills including liability under reverse charge (output liabilites)

Let us start our discussion with the following example

1. Order Value – Basic Rs 10000. 2. GST rate 18%. 3. Advance to receive as per Payment Terms – 10% of the order value. 4. Advance Bill raised on 01.07.2017. 5. Advance received on 03/07/2017 6. First RA Bill raised on 31/08/2017 for basic value Rs 4000 and 7. Final Bill raised on 30/09/2017 for Basic value Rs 6000.

2. Payment terms : a) 10% advance on signing contract. b) 80% within 30 days and c) reaming 10% after 3 months from the bill date.

1.On Advance Bill raised :

As per point of taxation under GST Act, we need to discharge output liability immediately on raising of Invoices or receipt of advances whichever is early. Same provisions were there in 'Service tax'. Previously no tax was needed to be discharged for advance received for 'material supply'. But in GST regime, for any advance received with respect to taxable supply of goods and/or services or both, GST needs to be discharged.

In all entries, as explained below, where 'GST A/C' is used, it will be either CGST,SGST,UGST or IGST. In case of 'Intra-state supply', it will be 'CGST+SGST' and in case of 'Inter-state' supply and 'Import', it will be IGST. For the sake of simplicity and understanding the concept I have used only 'GST'. All these three taxes will be captured in three different GL Codes as appropriate.

The entry for advance invoice raised on customer should be as follows . (TDS has been ignored for illustration purpose.)

Alternative 1

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
1A	01/07/17	Advance Invoice raised on Customer	Customer A/C(10000+18% On 10000)*10% To Customer A/C To GST Payable A/C	1180	 1000 180	Asset+ Liability+ Liability +	

Alternative 2

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
1	01/07/17	Advance Invoice raised on Customer	Customer A/C(10000+18% On 10000)*10% GST paid in Advance To Customer A/C To GST Payable A/C	1180 180	 1180 180	Asset+ Asset + Liability + Liability +	

I will always suggest Alternative 2 for the following reasons.

a) GST paid in advance account will be like a control account. In subsequent RA bills whenever advance of 10% will be adjusted, this account will be credited to that extent and balance amount can be taken as yardstick of unadjusted advances.

b) Customer account has been credited for whole amount (Basic + GST). This will help you to reconcile with the customer. Think, when customer pays us Rs1180, they will debit our Account for Rs1180. If we credit their Account for Rs1000, there will be always a difference between their books and our books. Reconciliation will be hectic when number of invoices are huge.

2. on receiving advance amount

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
2	3/7/17	Advance received from Customer	Bank A/C To Customer A/C	1180	 1180	Asset+ Asset-	

Now we have to issue 'Received Voucher' as per GST Law for receiving advances as per section 31(3)(d) of GST Act,2017

3. Discharge of GST Liability at the month end (actually liability will have to discharged before filing monthly return GSTR-3 as on or before 20th of next month)

This GST Liability will have to be paid in Cash. In this case also there can be two alternatives

Alternative 1: Directly pay through Bank

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
3	30/07/17	Discharge of GST Liability through Cash	GST Payable A/C To Bank A/C	180	 180	Liability- Liability +	

Alternative 2: Payment though bank after transferring liability into 'Clearing' A/C

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
3A	30/07/17	Discharge of GST Liability through GST Clearing A/C	GST Payable A/C To GST Clearing A/C	180	 180	Liability- Liability +	

This time I will advise for alternative 2. If total transactions are very few and/or GST credit is also less, then Alternative 1 may be adopted.

But it is advisable to follow the alternative 2. Generally at the month end, we need to discharge net Liabilities (Total Liability for the month – Total GST credit available for the month). So it is advisable to route through 'GST Clearing Account'. The process flow will be as follows.

a) Transfer entire GST Liability to 'GST Clearing Account'.

b) Transfer available GST Credit (equivalent to CENVAT credit: will be discussed in Vendor Section later) from 'GST Credit Availed Account' to 'GST Clearing Account' to the extent required for settlement of Liabilities. Excess amount should not be transferred. For example, suppose GST Liability transferred is Rs 180. GST Credit available is Rs 150 / Rs 200. When it is Rs 150, transfer entire amount. But when it is Rs 200, transfer only Rs 180.

c) Difference in this account reflects net liability. This should be paid through Cash. **This account balance should be 'ZERO' at the time of month end Return.**

d) Reverse Charge Liability should also be routed through this Account. First book the reverse charge liabilities, then transfer into this account and pay by cash. Actual entries will be portrayed shortly.

Suppose there is no GST Credit available for discharging this liability of Rs 180. Then entry will be

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
4	30/07/17	Discharge of GST Liability through Adjustment A/C	GST Clearing A/C To Bank A/C	180	 180	Liability- Asset -	

Suppose there is Rs 150 GST Credit available for discharging this liability of Rs 180. Then entry will be

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
5	30/07/17	Transfer of GST credit to Adjustment A/C	GST Clearing A/C To GST Credit availed A/C After passing this entry net liability will be Rs 30 only	150	 150	Asset + Asset -	
6	30/07/17	Discharging of balance liability of Rs 30	GST Clearing A/C To Bank A/C	30	 30	Liability- Asset -	

4. Reverse Charge Liabilities Booking and Discharge.

Reverse charge liabilities arises in two circumstances [Section 9(3) and 9(4) of CGST Act]

a) When any registered person received supplies from any unregister persons and *b) When specifically provided in the Law (So far 12 such services have been listed where 100% liability is to be paid by the recipient of services)*

In addition, IGST in case of 'Import' are to be discharged under reverse Charge by the importer (who files the Bill of entry)

Example: Legal Service received from X for Rs 1000. GST payable @ 18%

i) At the time of booking of Liability

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
7	15/07/17	Booking of Expenses along with GST Liability under RC	Legal Expense A/C GST Credit A/C To X A/C To GST payable under RC A/C	1000 180	 1000 180	Expense + Asset + Liability+ Liability +	

ii) At the time of Transferring GST Liability

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
8	30/07/17	Transfer of GST Liability under RC to Adjustment A/C	GST payable under RC A/C To GST Clearing A/C	180	 180	Liability - Liability +	

iii) At the time of discharging GST Liabilities

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
9	30/07/17	Discharge of GST Liability under RC through Cash	GST Payable A/C To Bank A/C	180	 180	Liability- Asset -	

iv) At the time of making payment to Mr X

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
10	30/07/17	Making Payment to Mr X	Mr X A/C To Bank A/C	1000	 1000	Liability- Liability +	

Provisions under GST Act and relevant Rules

1. *If any supply of goods or service is received from unregistered person, we need to issue a self invoice u/s 31(3)(f).*
2. *On making payment to the vendor for whom reverse charge mechanism is applicable, payment voucher to be issued after making payment to this vendor u/s 31(3)(g).*
3. *GST Credit on RC invoices is available on the basis of discharge of Reverse Charge Liability through Cash. If GST credit is not ineligible for availing, we will transfer this 'GST credit' to 'GST Credit availed A/C'*

5. 1st RA Bills Raised on 30/08/2017 and 80% payment received on say 15/09/2017.

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
11	30/08/17	Ist RA bills raised (booking of 100%Liability)	Customer A/C To GST Payable A/C To Income A/C	4720	 720 4000	Asset+ Liability + Income +	

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
12	30/08/17	Advance Adjustment (10% which was received earlier)	Customer A/C GST Payable A/C To GST Paid in Advance To Customer A/C	472 72	 72 472	Liability- Liability- Asset- Asset -	
13	30/08/17	Creation Of 10% Retention to be received after 3 months	Customer A/C To Customer A/C	472	 472	Asset + Asset -	
3	30/08/17	Liability on RA bill to be discharged through Adjustment A/C	GST Payable A/C (720-72) To GST Clearing A/C	648	 648	Liability- Liability+	
4	30/08/17	Discharged o GST Liability at the end of the month	GST Clearing A/C (720-72) To Bank / GST credit availed A/C	648	 648	Liability- Asset-	
5	15/09/17	Received of 80% value from customer raised in August	Bank A/C (4720-472-472) To Customer	3776	 3776	Asset+ Asset-	

6. Final bill raised on 30/09/17 and 80% payment received on 25/10/2017

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
1	30/09/17	Final Bill Raised (booking of 100% Liability)	Customer A/C To GST Payable To Income A/C	7080	 1080 6000	Asset+ Liability + Income +	
2	30/09/17	Advance Adjustment (10% which was received earlier)	Customer A/C GST Payable A/C To GST Paid in Advance To Customer A/C	708 108	 108 708	Liability- Liability- Asset- Asset -	
3	30/09/17	Creation Of 10% Retention to be received after 3 months	Customer A/C To Customer A/C	708	 708	Asset + Asset -	
4	30/09/17	Liability on RA bill to be discharged through Adjustment A/C	GST Payable A/C (1080-108) To GST Clearing A/C	972	 972	Liability- Liability+	
5	30/09/17	Discharged o GST Liability at the end of the month	GST Clearing A/C (1080-108) To Bank / GST Credit availed A/C	972	 972	Liability- Asset-	
6	25/10/17	Received of 80% value from customer raised in August	Bank A/C (7080-708-708) To Customer	5664	 5664	Asset+ Asset-	

If we summarize the above entries (anybody can post them in Ledger A/c and summarize them) following conclusion can be drawn

1. 100% GST liabilities (18% on 10000 = 1800 i.e 180+648 + 972)) have been discharged either through cash or by utilizing GST credit.

2. 90% of the total Contract value has been received (90% of 11800 = 10620 i.e 1180+3776+5664).
3. Customer A/C balance will be simply 10% of contract value (10% of 11800 = 1180)
4. 10% of the contract value is kept as retention (10% of 11800 = 1180 i.e. 472+708).
5. Due date for first retention of Rs 472 is on 30/11/2017 and due date for second retention of Rs 708 is 30/12/2017

Suppose 1st retention is released on due date i.e on 30/11/2017. The entry for such receipt will be

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
1	30/11/17	Retention relating to 1st RA bill is released	Bank A/C To Customer A/C	472	 472	Asset+ Asset -	

Now 2nd retention of Rs 708 is not released due to some reason. This Rs 708 consists of two elements : Rs 600 basic value and Rs 108 is GST charged in final invoice and this GST liability has already been discharged. Customer wants a reduction in contract value to that extent and mutually agreed upon to such reduction. Now what to do?.

As per GST Law following can be done.

1. ***We will have to issue a 'Credit Note' but for what amount? Rs 708 or Rs 600. Ideally we should raise credit note for Rs 708 and claim for refund / Adjusted against future Liability of GST Rs 108 already paid. will be depend upon how our buyer have treated with this GST amount of Rs 108 and now how he will treat this entry.***
2. ***If our buyer have availed the GST credit of this Rs 108 in the month of October, then he will have to reverse this Credit along with the interest. Otherwise our paid liability cannot be claimed for refund or adjusted***
3. ***If our buyer does not avail GST credit, then we can adjust the same.***

The journal entries should be

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
1	30/12/17	2nd RTN not released and credit note issued and buyer does not availed GST credit or have reversed the same along with interest	Income A/C / **P&L A/C GST payable A/C or GST refund claimed A/C To Customer A/C	600 108	 708	Income -/ Expense + Liability- / Asset + Asset -	

** If this transaction occurs in the same financial year, in my opinion, relevant income GL should be debited. If this transaction occurs in subsequent accounting year, instead of debiting income GL, some other GL by any nomenclature to be debited which will be finally transferred to P & L A/C. Net impact on profit will be same. Profit will reduce by such amount.

Relevant entries on behalf of Supplier of Goods/ services along with the legal positions under GST Act,2017 have been discussed above. We need to tailor the amount of Liability to be discharged after advance adjustment under specified cases. For example, at the time of raising advance invoices it is not clear at what rate of tax all supplies of goods or services will be done. ***As per GST law in such cases we need to discharge Liability on advance at 18%.*** Now suppose, in First RA bills we are supplying 5 items out of which 4 items are of 18% rate and one Item is at 12% rate. In that Cases, how flat rate of recovery at 18% can be done. Entry will be same but need to apply our mind to ascertain the value of 'Advance GST A/C' to be adjusted for GST liability adjustment.

Now we will discuss the relevant entries and relevant Legal Provisions from the point of view of a Buyer / recipient of supply of Goods and or Services.

In the previous paragraphs, we have discussed the Provisions, Accounting and Discharge of Output Liabilities. Output Liability can be discharged either out of ' Cash / Bank' payments or by utilizing 'available Input Tax Credit'. This Input Tax Credit arises when we book our purchase along with the 'Input Tax'. So,

Firstly we need to have 'Input Tax' in our books of accounts, and

Secondly, this 'Input Tax' must be 'availed' to utilize for discharging of output liabilities.

Before we take over the accounting entries, let us summaries the provisions for taking 'Input Tax Credit' under GST regime.

1. The first conditions for availing 'Input Tax Credit' following two primary conditions to be satisfied.
   a) The purchaser must have 'Tax Invoices' or 'Debit Notes' or any other specified duty paying documents, and
   b) He must have received the 'goods' or 'supply' or 'both'

It means even if we pay the vendors any advance amount against any invoice raised along with the GST, we cannot avail 'Input tax credit' as 'goods' or 'service' or 'both' have not received. This is clearly departure from the existing 'Service Tax' provisions. In Service Tax, We could avail the 'CENVAT' Credit on advance payment made to vendor on the basis of duty paying documents made as per Rule 4(A).

2. The 'GST' charged by the 'Supplier' must have discharged his GST liability either through Cash or through utilization in 'Input Tax Credit'
3. The supplier has filed his GST Returns.
4. The recipient of 'Goods' or 'Services' shall have discharged the payment to Vendor (basic + GST) within 180 days from the date of invoices.
5. If payment is not made within 180 days, the availed 'Input Credit' has to be reversed along with the applicable interest.
6. Re - credit on such reversed' Input Credit' can be availed any time thereafter when payment to the supplier will be made.
7. 'Input Credit' can be made to the extent payment has been made to the vendors (Basic + Tax). For example We have one invoices of Rs 10000 + GST 1200 = Rs 11200. Initially we can avail input credit of Rs 1200 (subject to the provisions as discussed above). Suppose, within 180 days only 50% payment could be made. Then we need to reverse Credit to the extent of 50% only i.e Rs 600 along with the applicable interest.
8. Input Tax Credit on any Invoices, Debit Notes or other documents can be availed only upto 30th September of the next financial year or date of Annual return whichever is earlier. It means for document date 31st March,2017 we will have only 6 months to avail 'Input Credit'
9. Input Tax credit cannot be available when tax is paid in pursuance of any demand order is raised on account of fraud, willful misstatement, suppression etc.

On the basis of above basic principal we will now proceeds for Accounting Entries in different circumstances.

B Advance Given to Vendor and raising of subsequent RA Bills

Let us start our discussion with the following example

1.Order Value Basic Rs 8000. 2. GST rate 18%. 3. Advance to give to vendor as per Payment Terms – 10% of the order value. 4. Advance Bill received on 01.07.2017. 5. Advance given on 03/07/2017 6. First RA Bill raised on 31/07/2017 for basic value Rs 4000 and 7. Final Bill raised on 30/08/2017 for Basic value Rs 4000.

Payment terms : a) 10% advance on signing contract. b) 80% with in 30 days and c) reaming 10% after one year.

a) On receiving of 'Advance invoice' and subsequent payment

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
1	01/07/2017	Advance invoice raised by Vendor	Vendor A/C(8000+18% on 8000)*10% To Vendor A/C	944	 944	Asset+ Liability +	
2	03/07/2017	Advance Paid to Vendor	Vendor A/C To Bank	944	 944	Liability - Asset -	

Note:

1. Vendor account has been debited with full value (basic + GST) for the same logic as already discussed in previous section.
2. As no 'Input Credit' will be available on the making advance payment to Vendor, GST paid on advance invoice

is not required to be captured separately. In subsequent running bills we will book 100% GST amount and full credit will be taken on invoice level subject to payment provisions as discussed above.

b) On receiving of 1st Running Account Bills

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
3	30/07/2017	1st Ra Bill raised by Vendor	Expenses A/C GST Credit A/C To Vendor A/C	4000 720	4720	Expense+ Asset+ Liability +	

In this Case, GST amount has been booked on 100% value. We have not booked any Input Credit at the time of giving of advances. So now we will avail the same.

c) On adjusting 10% advances already paid earlier

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
4	30/07/2017	10% advance adjusted on 1st Ra Bill raised by Vendor	Vendor A/C To Vendor A/C	472	472	Liability - Asset -	

In journal entry (3) above, we have credited vendor's liability for 100% value. But we have already paid 10% as advance. So 10% of the present liability is no more payable. We have adjusted the same by debiting existing liability created on 30/07/2017 (Liability -) and crediting the Vendor Account which was 'Debited' at the time of giving advance. This system is followed generally when SAP system is used. But a combined entry may be passed at the time of raising of running account invoices as follows.

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
3A	30/07/2017	1st Ra Bill raised by Vendor	Expenses A/C (100%) GST Credit A/C (100%) To Vendor A/C (90%) TO Vendor A/C (10%)	4000 720	4284 472	Expense+ Asset+ Liability + Asset -	

In both the cases, (in 3 above and now) Vendor A/c has been credited with 4720. But nature of Accounts is mixed in combined entry. One has to be conceptually very clear about it.

d) On creation of retention of 10%

We need to be very cleaver at the time of accounting entries for deducting retention money. 10% of the total invoice value (Basic + tax) is to be set aside separately in Vendor Ledger. Normally in long term contracts, this retention is released after two / there years. Now what will be the fate of the GST amount included in this retention money which will be released after two years? Let's analysis the issue under various circumstances.

i) We will avail the input credit immediately: If we do not make the payment within 180 days, we need to reverse the credit along with interest.

ii) We will not avail the Input credit as we know we will release the retention after two years: In that case at the time of releasing retention this amount will become time bared and could not be availed and loss for the organization. There is no time limit for 're credit' but there is time limit for 'original credit' discussed above.

So what should we do? should take now and reverse with interest or will forgo forever? We can have a solution to it. As we know it will not be paid within 180 days and not even within next year September, we can take the 'Input credit' immediately and reverse the 'Input Credit' in the same month by transferring it into separate GL naming ' GST on retention A/C'. Re credit can be taken any time thereafter from this 'GST on on retention A/C' making payment to vendor. Virtually this practice can be applied for all retention. Then not a single rupee will be lost and never have to be worried about counting the time limit for retention.

Entire above discussions can be journalized as follows

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
5	30/07/2017	Creation of Retention 10%	Vendor A/C To Vendor A/C	472	472	Liability - Liability +	
6	30/07/2017	Transfer of GST Credit A/C balance to GST Availed A/C	GST Credit Availed A/C To GST Credit A/C	720	720	Asset+ Asset -	
7	30/07/2017	GST on RTN amount to be reversed immediately	GST on Retention A/C To GST Credit Availed A/C	72	72	Asset+ Asset -	

Now let us analyze the impact of these entries

1. In entry No 3 we have initially booked entire bill value (basic + GST) as vendor Liability.
2. In entry 4 we have adjusted (reduced) 10% VendorLiability from the advance already given and booked in entry no 1 & 2.
3. In entry no 5 we have further reduced 10% liability and kept it separately as retention. Now net payable amount to Vendor is 80% of the RA bill value.
4. In entry no 3 we have booked entire GST as Asset. Logically we should avail this 100% amount immediately. Hence we have transferred entire GST credit amount to GST credit availed A/C vide entry no 6. But as we know that GST on retention money(10%) will needs to be reversed at the end of 180 days along with interest, for the purpose of re-credit, we have transferred 10% amount to 'GST on retention A/c' which will be availed in future on releasing the retention. This has been done in entry no 7. Now we have 90% of 720 i.e Rs 648 in 'GST credit availed A/C' which will be utilized for discharging output liability.

Now somebody may ask what is the purpose of creating another GL A/c in the name of 'GST credit availed A/C'. We can very well manage/ adjust with 'GST Credit A/C'. This can be very well done without creating an additional GL but maintaining separate GL for 'GST Credit Availed' we will have following benefits in GST regime for better control in line with compliance procedure.

1. Whatever the amount of GST booked while processing vendor invoices, will be captured in 'GST credit A/C'. It will be very difficult to locate how much amount will available for utilization at any point of time.
2. As per GST return format, if there is any mismatch between the suppler invoices uploaded on 10th of the next month (GSTR-1)and input invoices uploaded on 15th of the next month (GSTR-2), then this input credit cannot be availed till mismatched is resolved. So GST relating to mismatched invoices will be remaining in 'GST credit A/C' and the clean GST amount for matched invoices will be transferred to 'GST Credit availed A/C'. This account balance is available for discharging output liabilities. Most interesting point is that, even if the vendor is not paid within 180 days, we need not reverse the availed credit. The amount of GST which will have to be reversed due to non payment will be added in output liability. So this GL will have no impact of such reversal.
3. The left over balance in 'GST credit A/C' can be used as MIS for the invoices for which we need to take up with the supplier for resolve the mismatch.
4. Moreover, GST on retention A/c will always reflect the amount of credit will be available in future and for those invoices/vendors it pertains.

Apparently it looks like handling so many GL accounts will be complicated. But considering the complexity of GST return requirement in line with Input credit rules, once we are familiar with the procedure, future life will be smooth and methodical. For MIS purpose anything can be readily available from respective GL at any point of time.

Now we have left with Rs 648 as input credit for discharging the output liability. No go up in the output liability section and refer entry no 5. There we assume Rs 150 as available credit. Now it can be linked with that value. At the month end this amount will be transferred to 'GST Clearing A/C' (subject to the maximum amount required for discharging liability). The entry for the same will be

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
8	30/07/17	Transfer of GST credit to Adjustment A/C	GST Clearing A/C To GST Credit availed A/C (if on this date Liability balance is lower than this amount, the only transfer to the extent of Liability to be discharged.	648	648	Asset + Asset -	

e) On making payment to vendor (80%) say on 20th August

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
9	20/08/2017	On making of Payment	Vendor A/C (4720-472-472) To Bank	3776	3776	Liability - Asset -	

f) On raising Final Bill on 30.08.2017.

Same sets of Journal entries needs to be passed. Not repeating again.

g) On releasing of retention amount retained on RA bill one raised on 30/7/207 say on 31/07/2018.

Then entries will be as follows

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
10	31/07/2018	On making payment of retention money	Vendor A/C To Bank	472	472	Liability - Asset -	
11	31/07/2018	Input credit to be availed now	GST credit availed A/C To GST on retention A/C	72	72	Asset+ Asset -	

h) Suppose the above mentioned retention will not be released for any contractual obligations and both the parties have agreed upon to write it off.

The legal provisions have already been discussed in Liability section. The Journal entries will be as follows

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
12	31/07/2018	Retention will not be released and both the parties agreed to write off	Vendor A/C To Expenses A/C / P & L A/C /Urnclaimed Liability A/C	472	472	Liability - Expenses-/Income +	
13	31/07/2018	Input credit on RTN to be written off.	P & L A/C To GST on retention A/C	72	72	Expense + Asset -	

i) Suppose, GST has been availed but payment to the vendor has not been made for 180 days in the above RA bill. Then we need not post any entry to reverse the Input credit already availed. Rather we need to add this value of Credit as output liability along with the interest. The entry will be as follows

SL	Date	Transaction	Journal	DR	CR	Nature	GL Code
14	31/01/2018	**Suppose, payment has not been made till 31/01/18**	**GST on RTN A/C**	**648**		**Asset+**	
			Interest other A/C	59		Expenses+	
			To GST Payable A/C		648	Liability +	
			To Bank		59	Asset+	

Note: If part payment is made, then this entry will be passed for the balance amount unpaid.

Credit Set-off mechanism as per GST Law

1. IGST credit will be utilized for paying IGST Liability first. Then the remaining balance if any will be utilized form paying CGST or SGST or UGST Liabilities.
2. CGST Credit will be utilized for paying CGST Liability first. Then the remaining balance if any will be utilized from paying IGST Liability.
3. SGST Credit will be utilized for paying SGST Liability first. Then the remaining balance if any will be utilized from paying IGST Liability.
4. CGST credit cannot be utilized for SGST Liability and Vice versa.

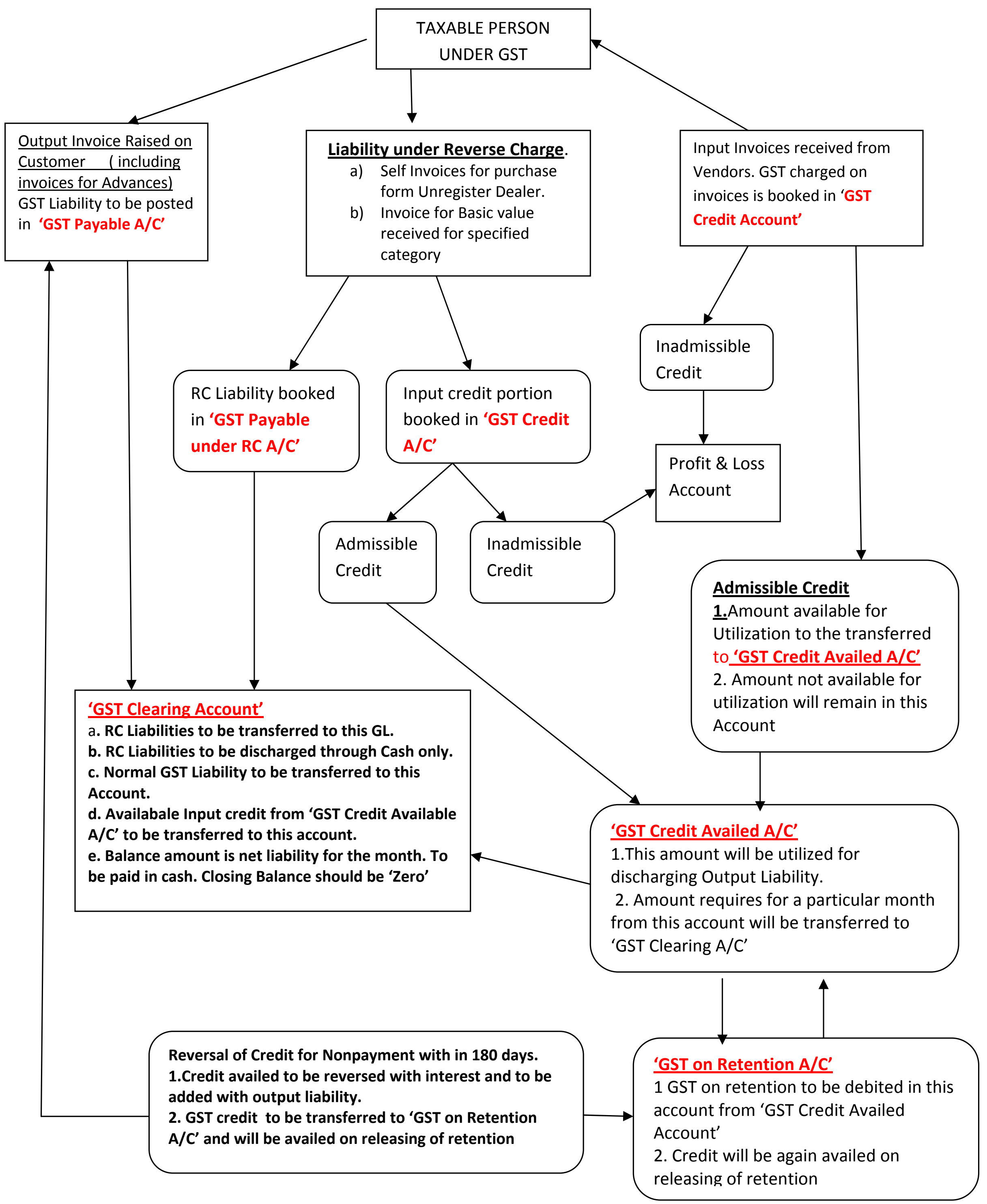
Important Point to be kept in mind

1. The above mentioned scheme of entries is only suggested in nature. Simple example has been taken to make the understanding process easy and smooth. The name of the GL Account may vary from entity to entity. For example, instead of 'GST Payable A/C', some organization may have ' Output GST Liability A/C'. But the nature of accounts will be same.
2. The important general provisions relating to Input Credit provisions have been discussed above. I stated my discussion with saying that it is mainly for long term EPC contracts. Any EPC contractor constructs an immovable property. It comes under 'Works Contract' as per GST Law .GST Law specifically says that 'Works Contract' is a service.
3. There are specific provisions in 'Input Tax Credit' Rule for taking input credit for 'Input' and 'Capital Goods' and for 'Iput Service distributors'. But those provisions specify the computation aspects for arriving at the amount of input credit available in various and at what point of time. Journal entries may be the same.
4. Separate GL Account of CGST, SGST, UGST and IGST to be created for Liability, Asset and Liability under Reverse Charge.
5. There are some specific services with respect to which 'Input Credit' are not eligible for availing. So this GST credit is our cost and will have to be charged to revenue. Some organization adds this inadmissible GST along with the expense at the time of booking of expenses. But my suggestion is that even in such cases, GST should be captured separately in 'GST Credit A/C' and charged to revenue by Debiting 'P&L' A/C and Crediting 'GST Credit A/C.' This is required for return purpose also and will be very useful for MIS to locate how much amount of GST credit we have not availed for a particular period or for particular expenses head.
6. If for any reasons GST credit cannot be availed after booking of Invoices, this should be charged to revenue as discussed above.

Conclusions

Compliance part of GST regime is very stringent. We will have to be very methodical and particular for the same. Law has been so framed that under no circumstances, Governments will lose a single paisa. Vendors will be penalized for the fault of supplier. So coordination between supplier and recipients will have to be very strong. In addition our accounting system has to be very very sound to capture required details in desired format so that maximum possible information are readily available from GL balances for feeding into Return. MA

Diagrammatic representation of the credit mechanism under GST



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BANKING REGULATION (AMENDMENT) ORDINANCE 2017:

RATIONALE AND IMPLICATIONS

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In the recent past, stressed asset in the Indian banking system has emerged a big problem for the overall economy. There should not be any confusion regarding the magnitude of the problem as the total size of the banking sector's NPAs is estimated at over Rs. 6.7 lakh crore, of which no less than Rs 6 lakh crore is accounted for by state owned banks or public sector banks (PSB) (Business Standard, 9th May 2017). It has resulted in lower profitability for PSBs, mainly due to provisioning for the restructured projects. Apart from this, adoption of BASEL – III demands higher capital cushion both in terms of quantity and quality in proportionate to the increase in credit risk. Therefore, PSBs are faced with dual challenges – recovery of the stressed asset in one hand and procuring of the capital required for migration to BASEL- III especially in view of increasing trend of stressed assets in the banking system.

Realizing the gravity of the problem and its immediate fallout, the present Government has shown a firm commitment for expeditious resolution of stressed assets in the banking system since the beginning of its term. The concerted efforts begun with the launch of the 'Indradhanush Plan' in the month of August 2015. It was a seven-pronged strategy for revamping the functioning of the PSBs. Among these seven strategies, restoring the health of PSBs loan book is important and significant one. As a part of this plan the SARFAESI Act and DRT Act have been amended to facilitate the recoveries. The enactment of the Insolvency and Bankruptcy Code (IBC), 2016 has opened up new possibilities for time bound resolution of stressed assets. In effect, the mechanism for the resolution of stressed asset has been strengthened. But many banking experts feel that implementation of the strengthened mechanism is lacking in many cases for a host of regulatory bottlenecks. In order to effectively implement the existing mechanism for the resolution of stressed asset, particularly in consortium or multiple banking arrangements, Banking Regulation (Amendment) Ordinance 2017 was promulgated on 04th May 2017. The present paper aims at capturing the essence of the amendments and its likely impact on the Indian banking system.

Essence of the Banking Regulation Amendment Ordinance, 2017

Two new sections were inserted under the Banking Regulation (Amendment) Ordinance, 2017. The new sections are 35AA and 35AB after section 35A of the Banking Regulation Act, 1949. The said amendment enables the Union Government to authorize the RBI to direct banking companies to resolve specific stressed assets by initiating insolvency resolution process, whenever required. RBI has also been empowered to issue other directions for resolution, and appoint or approve for appointment, authorities or committees to advise banking companies for stressed asset resolution. Therefore, the amendment proposed three key measures:

- The Union Government may authorize the RBI to issue directions to banks to initiate insolvency proceedings against defaulters under the Insolvency and Bankruptcy Code, 2016;
- RBI on its own accord can issue directions to banks for resolution of NPAs; and
- RBI may form committees with members it can choose to appoint to advise banks on resolution of NPAs.

These measures will give the RBI powers to act directly against any defaulter and can invoke IBC, 2016. Earlier, banks were reluctant to invoke IBC, 2016 due to fear of being questioned. Besides, there were some difficulties in invoking IBC in case of consortium lending. In a word, the amendment paves the way for smooth application of IBC, 2016 as it is a time bound process and seeks to reduce the time for resolving a default case to less than a year as against the average time taken of more than four years currently (Live Mint Newsletter, May 5th, 2017)

Rationale of the Amendment

Like the other policy decisions relating to the resolution of stressed assets, the rationale behind the amendment is quite straightforward – rising level of stressed asset in the banking system and rising share of large corporate borrowers therein. In fact, it is a continuation of the efforts that was started with the launch of 'Indradhanush Plan' and partly fulfilled by the passage of Insolvency and Bankruptcy Code (IBC).

Stressed assets have been consistently rising for the past several years owing to a combination of factors. In the initial stages of the problem, this was largely attributed to the so-called policy paralysis with many large projects being stuck because of lack of availability of raw material supply, insufficient promoter's stake, high debt-equity ratio and land acquisition problems. The major sufferers are the industries in the power, steel and infrastructure sectors. 'Indradhanush Plan' tried to address these issues closely and laid down the future plan of action to deal with the problem of recovery of stressed assets (Bhowmik, 2015). With an economic downturn, demand also didn't take off leading to surplus capacity in many industries, thus impairing debt servicing capacity. Also, many banks have been profligate in lending without adequate checks and safeguards during the boom days leading up to the 2008 financial crisis.

As evident from the Table 1, the % of Gross NPAs on Gross Advances rose continually from 2.83% as on March 2012 to 9.55% as on quarter ended September 2016. The amount of Gross NPAs also showed a continuous increase and within the same period the quantum of Gross NPAs rose from Rs. 1.3 trillion to Rs. 6.7 trillion. Thus, NPAs have become a stumbling block in all attempts to re-ignite the economy. As a consequence, credit growth hampered which adversely affect capacity creation and expansion. The credit grew only 5.1% during the financial year 2016-17 as compared to 10.3% in the previous financial year. The RBI's Financial Stability Report shows stressed assets (sum total of Gross NPAs and restructured assets) at 12.3% as on quarter ended September 2016.

Table 1: Increasing Trend in Stressed Asset in the Indian Banking System

Year	March		September	
	Rs. trillion	GNPA Ratio	Rs. trillion	GNPA Ratio
2012	1.3	2.83	1.7	3.46
2013	1.8	3.38	2.3	4.04
2014	2.4	3.96	2.7	4.25
2015	3.0	4.41	3.4	4.98
2016	5.8	8.06	6.7	9.55

Source: Capitalline Database

The crux of the problem is that this growing pile of stressed asset continues to elude resolution. The root of the problem is the falling debt servicing ability of Indian firms. They are also highly levered, especially in industries such as power and steel. According to Credit Suisse estimates, about 40% of debt lies with companies with an interest coverage ratio of less than 1 (Live Mint Newsletter, May 4th, 2017).

Another very strong reason for the amendment is the increasing trend in the share of large corporate borrowers in the so called stressed assets. According to the RBI's December Financial Stability Report, large borrowers (i.e., debtors to whom lenders have an exposure, both fund based and non-fund based, of at least Rs. 5 crore) account for 56% of bank debt and 88% of their NPAs. Moreover, the share of large corporate borrowers has shown a sharp increase in the last two years and increased from 72.8% to 88.4% within March 2015 to September 2016 as shown in Table 2. That is why the policymakers are thinking of focusing 40-50 big corporate borrowers to solve the crisis quickly. That is the precise reason why the empowerment took place through this amendment.

Table 2: Increasing Share of Large Corporate Borrowers in GNPAs

Year	Share in Gross Advances	Share in GNPAs
March 2015	58.1	72.8
March 2016	58	86.4
September 2016	56.5	88.4

Source: RBI Supervisory Returns

Apart from these, the rising losses of PSBs imply their vulnerability to meet Basel-III capital adequacy norms. In view of the present fiscal constraints, they cannot expect much help from the Government. So, the only option left to them is to focus more vigorously on resolution of stressed assets by targeting the large corporate defaulters. If successful, this will led to decline in credit risk profile of the bank and consequently help it to diminish the capital requirement under Basel-III.

Implications of the Amendment

The amendment empowers the Union Government to issue directives to the RBI for resolution of stressed assets. This implies that henceforth political establishment will have pro-active role in the resolution process. The earlier provisions of the Banking Regulation Act, 1949 did not allow the political establishment to issue directives to

The rising trend of the stressed asset in the Indian banking system has been a cause of concern for the policymakers for long. Since the beginning of the present government, the issue has been dealt with several initiatives, like, Indradhanush Plan (2015), passage of Bankruptcy Code in 2016 and now the amendment to the banking regulation. The amendment empowers the Union Government to direct RBI to initiate action against the defaulter and provides RBI with more supervisory rights. The amendment created mixed response in the banking fraternity

the Central Bank to enforce NPA resolution for cases of default. In a sense, this is a significant change. It has both positive and negative sides. Positive side is that RBI and consequently the banks will have to invoke IBC or other quick fix resolution of stressed asset once the directives arrive from the Government. So, it would eradicate the unnecessary delay on the part of the bank in taking appropriate actions on large corporate borrowers. The negative side is that it allows the Union Government to have a discretionary power into an area that was strictly considered as an operational freedom of the Central Bank. That is why many banking experts find this right objectionable because it undermines the authority of the RBI to a certain extent.

From the perspective of the Union Government such a toehold offers both opportunities and risk. It would be an opportunity for the Union Government to deal with the problem of recovery of stressed assets with a firm hand and if it is successful in recovering significant amount from the large corporate borrowers, it could be projected as a success. Apart from the success of the Government, such a situation would be very fruitful for the survival of the PSBs and revival of the overall economy.

On the other hand, the Government runs the risk of having using its discretionary power in choosing the defaulters against whom the actions are to be taken. The large corporate houses and even the opposition political parties might accuse the Government of being biased in choosing the defaulters. But here also the Government may have an opportunity. The opportunity is that if it moves with a transparent policy without having any favour to any particular group of industrialists, then they can have the support of the general masses as it had got in case of 'Demonetization of large denominated currencies'.

Another implication is that this amendment has linked up the IBC with the Banking regulation Act, as before initiating any action against a borrowers, the Government or the RBI has to establish that a default is there as per the IBC, 2016. So far this linkage between the IBC and the Banking Regulation Act, 1949 was missing. Now, because of this linkage, the RBI can initiate action against any bank for ignoring any default as per IBC, 2016.

From Central Bank's perspective, the ordinance paves the way for closer supervision of banks which are bearing high level of NPAs. RBI now got the power to form oversight committees for banks with NPAs that have been a matter of concern and consequently require early resolution. This would also help the banks especially those in the Public Sector to move ahead to clean up their Balance Sheet under the guidance of the RBI or Oversight Committee, as the case may be. Once banks are directed either by the Government or RBI to take hair-cut measures on some borrowers, their action will not wrath of any investigation by the Vigilance Department. But RBI may face the challenge in nominating experts to these oversight committees in the days to come because there are many banks which are under the grip of the problem.

As of now, the operation of IBC, 2016 did not produce the desired results in tandem with the expectations. Consequently, there is less progress in recovery of stress asset. The amendment gives the much needed push to the regulators and to the management of the banks to explore various possibilities including selling of stressed assets to the Asset Reconstruction Companies (ARCs) at a price which will be mutually benefitting for both the parties – bank can clean it balance sheet and on the other hand ARCs would get the asset at a price so as to generate reasonable rate of return on the investment and efforts.

Concluding Observations

In fine, we can observe that the present amendment of Banking Regulation Act, 1949 is a move to plugging the regulatory loopholes of the existing NPA resolution mechanism in one hand and on the other it aimed at pushing the management of banks to take prompt and credible actions against the defaulters especially the large corporate borrowers in the consortium based lending. The motive is to get rid of significant portion of stressed assets by focusing on 50 to 100 large corporate borrowers whose collective contribution to the stressed asset is huge.

Although, some experts objected the move on the ground that it would undermine the authority of RBI, yet the intentions behind the move is noble one and if it is implemented with transparent policy it could lead to a success. Even if the ordinance would push the RBI and the management of banks to take some credible actions against the large corporate borrowers, Indian economy stands to gain in twin ways:

- Balance sheet of banks becomes healthier which would have positive impact on migration to Basel III regime;
- Indian companies become deleveraged.

Therefore, in the days to come, we can expect to see some Government directed and RBI led recovery of stressed assets of banks and definitely such actions will be different from the actions that we used to see earlier. MA

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HOW BLACK IS OUR BLACK MONEY ?

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"Corruption destroys all noble attributes of human beings in pursuit of the material bereft of Spiritual and Divine knowledge. In the Vedas this is ignorance."

Rig Veda

Black money means unaccounted and undeclared money for which no tax has been paid. Black money generates from unaccounted money, undisclosed to the government, movement of money to tax heaven and corruption. In other way round it may be said black money is the outcome of tax evasion, tax avoidance,

India has a recurrent history of famine during the 18th, 19th and 20th centuries. These Famines had recorded in a death toll of 60 million people. India had come across the great famine in 1876-78. The World War I was proclaimed to be fought to restore democracy throughout the world and socio-economic crisis was mounting day by day. The black money problem has emerged during World War II. The people of developed countries transfer their money to tax heaven countries either for tax avoidance or tax evasion or both. Dictators like Hitler of Germany and Mussolini of Italy have ruled their countries in a brutal manner by destroying the democratic flavour. Their politics endangered peace and democracy and as a result Second World War broke out for the restoration of democracy in the year 1939. The devastating Bengal famine of 1943 was witnessed as a result of the ill effects of World War II. Hoarding and black marketing was inevitably come out and corrupt economy, social life and individual value system. Ironically corruption, black money emerged in the socio –political life during that period. After independence, the effects of black money become greater and generated black economy or parallel economy.

Source of Black Money

Corruption:

Corruption within the country is a massive source of black money. The volume of corruption from 1991 to 2009 is a staggering figure of Rs 78 lakhs crore.

Dual Taxation :

Mauritius, Singapore and Cyprus constitute 52 %of FDP in order to enjoy tax heaven benefits. Some Indian residents invested in their own company in India in order only to enjoy tax relief. There was a pre-assumption that they were not paying tax in India because they had to pay tax in the originating country. Actually they did not do so. As per re-agreement they have been allowed to enjoy tax heaven relief rather they have to pay tax in future. This is a very good initiative to stop future black money.

Surprising FDI (from April, 2000 to September, 2016)

Name of the country	FDI in percentage	Name of the country	FDI in percentage
Mauritius	33	Netherland	6
Singapore	16	Germany	3
Cyprus	3	France	2
UK	8	UAE	1
Japan	6	Others	14

Source: The Times of India 31st December, 2016

Tax Heaven Countries :

The common practice of Indian Corporations is transfer mispricing. They have generally under pricing export and over pricing import in favour of tax heaven countries like Singapore, Hong Kong and UAE. This also needs to be monitored strictly.

Foreign Funds :

Formally, it was not mandatory for the NGOs (Non Government Organization), to disclose details of charitable institution and allied associations as a result by the Indian beneficiary and black money originated from foreign funds.

Gold Smuggling :

India's official gold import varies from 800 tonnes to 1,000 tonnes. Local black money converted into smuggled gold very often through out the country. It has come down from 857.2 tonnes to 675.5 tonnes as per data provided by World Gold Council.

Year	Gold Imported in India 9 in tonnes)
2015	857.2
2016	675.5

Source: www. Worldgoldcouncil .org (22.04.2017)

Benami Sampatti :

Purchase of property not in the buyers name but in other name or nick name is a common practice in India. About 86 % of the India's black money is converted into holds in the form of benami sampatti or in the form of gold or in stock.

While India's population is almost nearing 130 crore , India's tax payers is just 3.7 crore i.e. nearly 2% . The people who earn Rs 1 crore and above are 48,000 in number but tax payees in the same tax bracket are 23,932. Hegemony in income distribution and tax burden is a complete paradox and reminds us of the very wards of the Former Administrative Committee Chairman L K Jha, "Tax evasion is a fine art of evading tax."

Shell Companies:

Shell companies are those which have no actual business operations or assets to count. These companies are used as entry operators to launder money on behalf of dishonest client.

Black money is one of the causes of income inequality and creates social unrest. It is the duty of the government to curb black money and neutralises inequality as far as practicable.

Income Inequality of 130 crore population

Income Bracket	Number of Tax Payer	Percentage
Rs 2.5 lakh to Rs 10 lakh	3.4 crore	93.3%
Rs 10 lakh to Rs 1 crore	24 lakhs	6.6%
More than Rs 1 crore	48,000	0.1%
		100%

Source: The Times of India 1st January, 2017

Tax Heaven

Number of Tax Payers	Percentage of Tax Payers	Percentage of Tax Revenue
23,932	0.1%	26%
1,95,344	Next 1%	19%
4,15,302	Next 2 %	14%
12,83,509	Next 7%	18%
1,71,79, 474	Remaining 89.9%	23%
		100%

Source: The Times of India 2nd February, 2017

Transparency International has made a study of 176 countries regarding corruption. The rank is fixed to 0 for high corrupt countries and 100 for very clean countries. Global average of corruption is 43 and India's rank is 76 in relation with China's rank 79. Corruption affects the honest people greatly and dishonest people dominate the society .In the words of Josh Ugaz , Chair of Transparency International, " In too many countries , people are deprived of their most basic needs and go to bed hungry every night because of corruption while the powerful and corrupt enjoy lavish lifestyles with impunity . "

5. Less Corrupt Countries and 5 More Corrupt Countries of the World

Rank	Country	Score 2016	Rank	Country	Score 2016
1	Denmark	90	170	Yemen	14
1	New Zealand	90	173	Syria	13
2	Finland	89	174	Korea(N)	12
3	Sweden	88	175	S Sudan	11
4	Switzerland	86	176	Somalia	10

Source: Transparency .org/cpi (22.04.2017)

Transparency International Scale India with Rank 79

2016	2015	2014	2013	2012
40	38	38	36	36

Source: Transparency .org/cpi (22.04.2017)

Transparency International Scale China with Rank 79

2016	2015	2014	2013	2012
40	37	36	40	39

Source: Transparency .org/cpi (22.04.2017)

Peter Ustinav has rightly stated that, "Corruption is nature's way of restoring our faith in democracy. "The propagator of welfare economy Milton Friedman also reminds us, " If you put the federal government in charge of the Sahara desert , in 5 years there would be a shortage of sand . "

Black money connotes illegal money possessed in the form of Real Estate, Gold, and Stocks and certainly in the form of cash. Demonetization is the beginning of an attempt to arrest black money. Tightening the Benami Properly Act has given added impetus to the attempt to curb black money. India is considered as a tax heaven, as a result, FDI flow from small countries has opened up the horizon of tax evasion and tax avoidance and loss of the exchequer of the Government. Global average of Corruption in the scale of Transparency International is 43 and we are slightly ahead with 76th rank but we have to walk many more miles in the future. The attempt to curb and unearth black money is an undoubtedly bold step. People are happy with the bold steps but unscrupulous elements always search for escape roots. Enactment of law, monitoring and strong vigil will surely make the attempt a grand success. However, we do not know how many days we have to wait in the mean time while searching for Dharma.

Curve Black Money

In a survey it comes out that 86 % of the black money is invested in the form of real estate, land, bullion market and stock market and 14 % in the form of cash.

1. Income Declaration Scheme 2016

The scheme was first started in 1951 after independence and thereafter in the year 1997. As per Income Declaration Scheme 2016 , Income Tax is levied @30 % of the value of undisclosed income plus a surcharge of 25% considered as krishi kalyan cess i.e 7.5% and penalty @25% on tax rate i.e another 7.5% , which means a total; tax rate of 45% . Government moped up Rs 29,362 crore.

2. Demonetisation

There are several measures which may be adapted to curbed black money. Demonetisation unearths black money in spite of political hue and cry.

Fake currency in circulation in India figure disclosed in the Parliament during 2006 -2007:

Denomination of Notes	Number of Currency
Rs 100	7.34 lakhs
Rs 500	5.76 lakhs
Rs 1,000	1.09 lakhs

Source: www.wifindia .org (22.04.2017)

Fake currency notes were used to finance terrorism. A survey conducted by the Indian Statistical Institute (ISI) says Rs 400 crore fake currency is in circulation in India. A Government Report says that 4 in every currency Rs1, 000 notes are fake amounting to Rs 3,200 Crore in 2010-2011. Rs 500 denomination notes circulation up 76 % from 2011 to 2016 and Rs1, 000 denomination notes by 109% as against 40 % rise in currency.

Out of Rs 16.5 lakhs crore currency in circulation, Rs 14 lakhs crore are in of Rs 500 and Rs 1,000 n notes and rest of the currency Rs 2.5 laks crore are in demonetization of f Rs 2, Rs 5, Rs 10, Rs 320 and Rs 50 and Rs 100 denomination notes.

Mahatma Gandhi said, "There are people in the world so hungry, that God cannot appear to them except in the form of bread. "

Helder Camara , ' When I give food to the poor , they call me a saint . When I ask why the poor have no food, they call me a communist. "

Holding and Transaction with Cash

Transaction beyond Rs 2 lakhs is an offence. At the same time holding cash beyond Rs 15 lakhs should be consider as undisclosed income.

Benami Property

Banami Property Transfer Act, 1988 was enacted from 1st November, 2016. If some is proved guilty penalty @ 25% is levied and 7 years imprisonment be prescribed.

FDI from Small Countries

India's Foreign Direct Investment (FDI) from insignificant countries is significantly high. Between April ,200 to September ,2016 share of FDI (Foreign Direct Investment) from Mauritius , Singapore and Cyprus is 52% i.e significantly high and rest of the countries like UK, Japan ,USA ,Netherland , Germany ,France ,UAE and others is just 48% .

FDI from April, 2000 to September, 2016

Country	Percentage	Country	Percentage	Country	Percentage	Country	Percentage
Moritus	33	UK	8	Netherland	26	UAE	1
Singapure	16	Japan	8	Germany	3	Others	14
Cyprus	3	USA	6	France	2		
Total	52	Total	22	Total	31	Total	15

Source: The Times of India 31st December, 2016

Share of FDI reveals that there is a mystery. In the name of avoiding double taxation, companies are evading tax as investment in fast three countries and not even paying capital gain tax. After 31st March, 2017 for the first two years they have to share tax equally and from the 3rd year India will impose and collect tax.

The amendments will only result in an increase of tax revenue and usher hope in transparency and check round tripping of fund and checking the black money flow into the economy.

Shell Companies:

The government has expanded its ambit to curb black money and is going to shut down 6-7 lakhs dormant companies or shell companies out of 15 lakhs registered companies. These companies act as a front in order to deposit cash with a commission of 1 % to 2 % by manipulative entries.

Prevention of Corruption :

The Santarem Committee on the prevention of Corruption instituted by the Central Government in 1964 stated that, "Corruption cannot be eliminated or even satisfactorily reduced unless preventive measures are planned and implemented in a sustained and effective manner. Preventive action must include administrative, legal, social, economic and educative measures. "Prevention of Corruption Act, 2002 and Money Laundering Act, 1988 have provided the legal ground fight against corruption.

Money deposited at the time of demonetization in 1.1048 crore account amounting to Rs 10.38 lakh crore . Out of that 18 lakhs account has been identified and IT has sent notice for clarification and explanation. Out of 18 lakhs identified account holders, 5.27 lakhs account holders log in website. Out of 5.27 lakhs assesses responded eventually 66,000 assesses are ready to pay income tax as per statement made by CBDT Chairman Sushil Chandra on 14th February, 2017. After demonetization in November, 2016, the number of return submission has increased to about 1 crore in the 1st Quarter of 2017-18. Minimum amount of Income Tax yet to be recovered from 5.18 lakh account is at the tune of Rs 1,00,000 crore and maximum extent it may go up to the level Rs 3,00,000 crore .

Realisation of Black Money before and After Demonetisation

From where Recovered	Amount Recovered (in Rs Crore)
1. Ist phase : Black Money from 650 persons	2,428
2. 2nd Phase : Income Disclosure Scheme from 64,275	29,362
3. 658 Property ceased	18,666
4. Recovered from 1282 Raids	2, 029
5. Tax and Penalty	2,476

From where Recovered	Amount Recovered (in Rs Crore)
6. **Property Exposed**	**28,567**
7. **Chennai New and Old Notes and Gold**	**400**
8. **Axis Bank Official from Mumbai, Baroda and Delhi**	**112**
9. **Chennai Gold and Cash**	**142**
10. **Ceased from Delhi Lawyer**	**13.5**
11. **Removed from Pillai Framer police Personnel**	**400**
12. **4 bullion traders in Mumbai**	**500**
Total	**82,619.5**

Source: Compiled from different sources

Epilogue

Austrian Writer Karl Kraus has opined that, "Corruption is worse than prostitution. The latter might endanger the morals of an individual; the former endangers the morals of the entire country. "Total illegal money deposited in Swiss banks is about $2 trillion. Which is equal to India's GDP of $2 .1 trillion. They are enjoying the cream without work. Mahatma Gandhi reminds us, "Wealth without work is a sin. " We are shouting for Gandhi but not for Mahatma. As per study has made by Global Financial Integrity during 2005 to 2014 black money entered into India amounting to $77,000 (Approximately Rs 43 lakhs Crore) . On the other hand, by the way huge amount of money flows from India to other countries amounting to Rs 9, 08,000 crore . In the words of Management Guru C K Prahalad stated the stated on 5th December, 2005, "If India were to cut corruption to the level that exists in the US, it will add $ 20 trillion to its GDP. " Without good morals, ethics and dharma (not religion) we cannot reach our desired goals and objectives. MA

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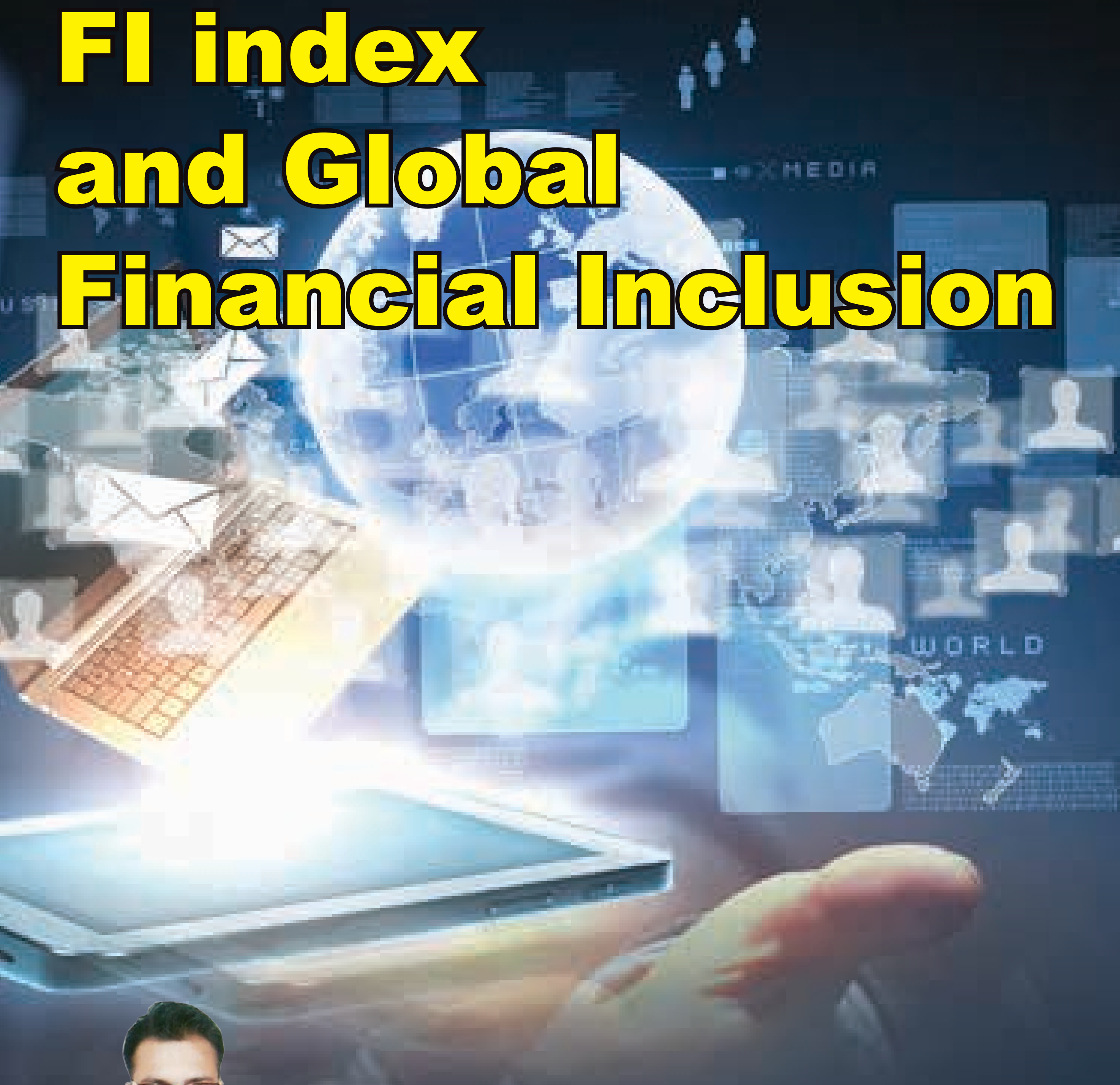
FI index and Global Financial Inclusion



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From advent of early 2000s the term Financial Inclusion has gained much of importance as regards to the direct correlation with the financial Exclusion. In opinion of Nelson Mandela, "Overcoming Poverty is not gesture but an act of Justice." However opinions differ but since the introduction of banking & payment services, accession facilities to the entire population without any discrimination should be the prime object of the Financial Inclusion.

Over the years many definitions has been framed about Financial Inclusion, of but the mentionable are:

Dr. Raghuram Rajan's committee on financial sector reforms defined financial inclusion as, "Expanding access to financial services such as payment services, savings products, insurance products and inflation-protected pensions."

As per the Rangarajan Committee- "The process of ensuring access to financial services & timely & adequate credit where needed by vulnerable groups such as weaker sections & low income groups at an affordable cost."

On the contrary same concept can be viewed as regards to financial exclusion that can be defined as, "Those processes that serve to prevent certain social groups and individuals from gaining access to the formal financial system (Leyshon and Thrift, 1995)."

Carbo et al. (2005) have defined financial exclusion as broadly "the inability (however occasioned) of some societal groups to access the financial system."

Thus, financial inclusion can be defined, as a system of ensuring easy access to credit, availability & unrestricted usage of the formal credit system granted to all members of an economy.

An efficient financially inclusive system leads to the prevention of growth of informal sectors of credit thereby safeguarding the lower class groups & economically poor classes of society from clutches of informal lending organizations. It has been observed that even in well developed systems of financial inclusion the concept of all inclusive growth is yet to be successful leaving aside a few. An efficient financial inclusion enhances optimum allocation of financial resources for smooth day to day financial services operations and unrestricted delivery of financial services to weaker sections of the society. A robust as well as comprehensive measure of financial inclusion is thus necessary so as to monitor the success of various policy initiatives implementation along with for research community to look into the related gap for suggestive measures. An effort has been made in this paper to analyze the extent of financial inclusion in the backdrop of an inclusive financial system in global context based on certain dimension-parameters.

Literature Review

Need for a comprehensive measure of financial inclusion incorporating progression in the field of inclusive growth in a single number based on certain dimensions so as to measure the magnitude of financial inclusion in the backdrop of global financial system, is always desired. According to Kempson et al, 2004, "whether high economic development leads to an all-inclusive financial system and whether low financial inclusion is associated with high income inequality".

Also an empirical measure of financial Inclusion is utmost essential to deal with certain specific questions as one of above quoted by Kempton et al. However while framing an index it should be kept in mind that the index should be easy to calculate, can be comparable across the countries and also shall be able to incorporate the dimensions that are necessary for its computation. Due to word constraint only a selected papers on Financial Inclusion Index, have been reviewed, where certain differences amongst these papers exists:

Year	Name of the Author	Title of the Paper	Key Findings
2011	*Dr. Arindam Laha, & Dr. Pravat Kuri*	*"Determinants of Financial Inclusion: A study of some selected Districts of West Bengal, India"*	An inclusive index has been drawn using Probit model to depict the effects of changes in the initiatives implemented across districts of West Bengal.

Year	Name of the Author	Title of the Paper	Key Findings
2013	*CRISIL*	*"CRISIL Inclusix Volume III"*	➢ Has projected a comparable index based on certain parameters for states & union territories of India. ➢ This computation has been classified into three specific dimensions based on five parameters to magnify the effects of inclusive financing from year 2010- 2013.
2015	Cyn-Young Park; and Rogelio V. Mercado, Jr.	*"Financial Inclusion, Poverty, and Income Inequality in Developing Asia."*	✓ Tests the impact of financial inclusion, along with other control variables, on poverty and income inequality. ✓ Findings suggest that the provisions for young and old-age populations will broaden financial inclusion, thereby contributing to poverty reduction and lower income inequality.

Objective

To investigate the extent of global financial Inclusion based on certain parameters of financial system, for 52 selected countries.

Data & Methodology:

To measure aggregate of parameters that have different units it is not possible to simply sum them up & compute. For mitigating this problem every parameter is normalized with reference to Min-Max method:

$$d_i = \frac{X_i - X(\min)}{X(\max) - X(\min)}$$

d_i= Particular parameter for i^{th} country.

X (min) = Minimum value of particular parameter observed across all countries.

X (max) = Maximum value of particular parameter observed across all countries.

Out of several dimensions that can be referred, a multidimensional approach is used for construction of index similar to approach of UNDP used for computing well known development indexes like HDI, HPI & so on. The said methodology used here, is a common formula referred as the Normalized Inverse of Euclidean distance.

The above equation connotes that higher value of di, higher will be achievement of the country. If 'n' number of dimensions are considered, country 'i' will be represented by point, say, $D_i = (d_1, d_2, d_3,...,d_n)$. In n-dimensions, point O = (0,0,0,...0) represents the point indicating weak situation while point I = (1,1,1,...,1) represents highest achievement in all dimensions. Thus, index for 'ith' country is measured by Normalized Inverse of Euclidean distance of point D_i from a particular point I:-

$$\text{Index}_i = 1 - \sqrt{\frac{(1-d_1)^2 + (1-d_2)^2 + ... + (1+d_n)^2}{n}}$$

Normalization is done to get values between 0 & 1 while inverse distance is considered so that higher value of index corresponds to higher inclusion.

Three dimensions based on secondary data are collected from World Development Indicators 2015 of World Bank, for 52 selected countries. The details for these dimensions are as follows:

✪ **Banking penetration-**
Size of banked population i.e. number of bank accounts proportional to total population is used for this dimension (= 'pi'). Accounts with commercial Banks per 1000 adults are taken.

✪ **Availability of banking services-**
In absence of comparable data related to number of ATMs and bank staff of all countries, Commercial bank branches per 100,000 adults is referred for this dimension (='ai').

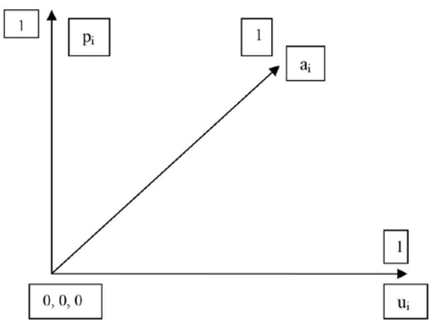
✪ **Usage-**
Merely having a bank account is not enough for an inclusive financial system. Thus for usage dimension we have used data regarding Claims on private sector. (='ui').

Therefore by considering above 3 dimensions- Penetration, Availability & Usage, a country 'i' is represented so that $0 \leq pi, ai, ui \leq 1$, where pi, ai and ui denote dimension for country 'i'.

Thus point (0, 0, and 0) will indicate weak financial Inclusion (or complete financial Exclusion) & point (1,

In the consortium of the financial Inclusion going on all over the globe the need for an approach to incorporate the extent of such inclusion based on certain parameters of the contemporary financial system has always been felt as to judge the magnitude of the effects of such inclusion globally. An efficient financial system ensures optimum allocation of the financial resources for smooth day to day financial service operations & unrestricted delivery of the financial services to the weaker sections of the society. Empirical study of 52 selected countries based on certain parameters has been done on the basis of 2015 data from World Bank site & calculated as per Index formula of distance measurement. This reveals that Columbia has ranked number 1 & Madagascar has the least rank amongst others. The analysis of the same is done here-forth in the paper.

1, and 1) will indicate ideal situation:



Hence, measurement of Index based on above concept is follows:

$$\text{Index}_i = 1 - \sqrt{\frac{(1-p_i)^2 + (1-a_i)^2 + (1-u_i)^2}{3}}$$

Results & discussion

Normalized values in respect of 52 countries based on above mentioned dimensions have been dealt with Microsoft-Excel calculations to arrive at the results. For purpose of analysis, index has been segregated as follows:

0.50< Index≤ 1 = highly inclusive.

0.30≤ Index< 0.50= Medium inclusive.

0.1≤ Index < 0.30= Low financial Inclusion, &

0.00≤ Index < 0.1= Very Low financially inclusive.

As per Table-1, Columbia has the 1st rank with 0.5028830 indicating more or less ideal situation. Moreover a critical analysis of the table reveals the following:

Out of 52, 9 countries starting from Venezuela till France although are in the Low financial Inclusion Slab (i.e. values lying between 0.1 & 0.30), has shown satisfactory progress as compared to others.

Among OECD countries, 11 are in the table (Austria, Mexico, Chile, Turkey, Czech Republic, Norway, Denmark, Greece, France, Belgium & Italy), of which Italy is having the highest index of 0.132558326, although low.

Asian Countries like Malaysia, Singapore & Thailand are lagging with ranks 38, 42 & 35 respectively. However rank of India is 31 with an index of 0.0361855, though very low.

Uganda, Papua New Guinea & Madagascar are having the lowest ranks among all countries, of which Madagascar is having the least rank of 52.

Table-1: Showing Financial Inclusion Index & Index Rank:-

Country Name	Dimension 1 (p_i)	Dimension 2 (a_i)	Dimension 3 (u_i)	FI Index	Index Rank
Colombia	0.1389681	1	1	0.5028830	1
Venezuela, RB	1	0.0542180	0.0047031	0.2073000	2
Ecuador	0.0408475	0.2882255	0.2972553	0.1999070	3
Spain	0.0364192	0.2561018	0.2655391	0.1791660	4

Country Name	Dimension 1 (p_i)	Dimension 2 (a_i)	Dimension 3 (u_i)	FI Index	Index Rank
Bulgaria	0.0325519	0.2280486	0.2378418	0.1608040	5
Italy	0.0266892	0.1855198	0.1958525	0.1325583	6
Switzerland	0.0238843	0.1651730	0.1757638	0.1188827	7
Malta	0.0216245	0.1487799	0.1595788	0.1077926	8
Belgium	0.0207748	0.1426163	0.1534933	0.1036068	9
France	0.0202321	0.1386798	0.1496068	0.1009290	10
Guatemala	0.0185559	0.1265206	0.1376018	0.0926358	11
Iran, Islamic Rep.	0.0167068	0.1131065	0.1243579	0.0834495	12
Romania	0.0154723	0.1041517	0.1155167	0.0772957	13
Bosnia and Herzegovina	0.0150521	0.1011033	0.1125070	0.0751971	14
Greece	0.0144631	0.0968306	0.1082884	0.0722523	15
Denmark	0.0133394	0.0886791	0.1002404	0.0666240	16
Lebanon	0.0132424	0.0879754	0.0995456	0.0661375	17
Mauritius	0.0129174	0.0856181	0.0972182	0.0645071	18
Czech Republic	0.0127537	0.0844305	0.0960457	0.0636852	19
Armenia	0.0119768	0.0787949	0.0904816	0.0597815	20
Honduras	0.0114114	0.0746934	0.0864321	0.0569366	21
Brazil	0.0111481	0.0727835	0.0845464	0.0556107	22
Turkey	0.0103138	0.0667313	0.0785710	0.0514044	23
Russian Federation	0	0.1205279	0.0333713	0.0499399	24
Jordan	0.0098459	0.0633370	0.0752198	0.0490424	25
Chile	0.0086353	0.0545556	0.0665498	0.0429214	26
Bolivia	0.0082621	0.0518479	0.0638765	0.0410312	27
Zimbabwe	0.0077530	0.0481548	0.0602301	0.0384507	28
Mexico	0.0075507	0.0466874	0.0587814	0.0374248	29
Austria	0.0074748	0.0461371	0.0582381	0.0370400	30
India	0.0073064	0.0449157	0.0570321	0.0361855	31
Argentina	0.0071231	0.0435861	0.0557194	0.0352552	32
Trinidad and Tobago	0.0070070	0.0427436	0.0548877	0.0346655	33
Namibia	0.0068938	0.0419226	0.0540770	0.0340907	34
Thailand	0.0068070	0.0412930	0.0534554	0.0336498	35
Dominican Republic	0.0067791	0.0410903	0.0532553	0.0335079	36
Fiji	0.0066168	0.0399131	0.0520931	0.0326833	37

Country Name	Dimension 1 (p_i)	Dimension 2 (a_i)	Dimension 3 (u_i)	FI Index	Index Rank
Malaysia	0.0057478	0.0336090	0.0458689	0.0282636	38
Pakistan	0.0054146	0.0311919	0.0434824	0.0265670	39
Albania	0.0000000	0.0776882	0.0000000	0.0252079	40
West Bank and Gaza	0	0.0348301	0.0399111	0.0247524	41
Singapore	0.0050297	0.0283999	0.0407259	0.0246061	42
Saudi Arabia	0.0048168	0.0268558	0.0392014	0.0235211	43
Guyana	0.0045424	0.0248650	0.0372359	0.0221216	44
Bangladesh	0.0045141	0.0246595	0.0370330	0.0219770	45
Nicaragua	0.0043848	0.0237219	0.0361072	0.0213176	46
Peru	0.0043835	0.0237124	0.0360979	0.0213109	47
Norway	0.0041626	0.0221097	0.0345155	0.0201834	48
Kenya	0.0031569	0.0148145	0.0273128	0.0150453	49
Uganda	0.0016049	0.0035564	0.0161976	0.0070986	50
Papua New Guinea	0.0014976	0.0027776	0.0154286	0.0065480	51
Madagascar	0.0011147	0	0.0126863	0.0045838	52

**(Calculation done as per data availability from World Bank for 2015)*

Conclusion

Multidimensional approach is used for computation of index and to analyze global inclusion. As regards to India many flagship projects like PMJDY, BHIM app & many more are launched, but the implementation of these at grass root level should be monitored regularly to move forward towards a digital & cashless economy. However the extent of gap between demand & supply side of finance in most of other countries are still required to be bridged up with due diligence to get closer towards achieving the objective of Inclusive growth & creating an ideal index.

Limitations of the Study

Lack of adequate, appropriate & comparable data has restricted the study based on 2015. Though the index can be used to establish relationship among financial inclusion & development, issues regarding appropriate, timeliness and quality of financial services couldn't be incorporated, but with availability of 2016 data more robust results could have been obtained. MA

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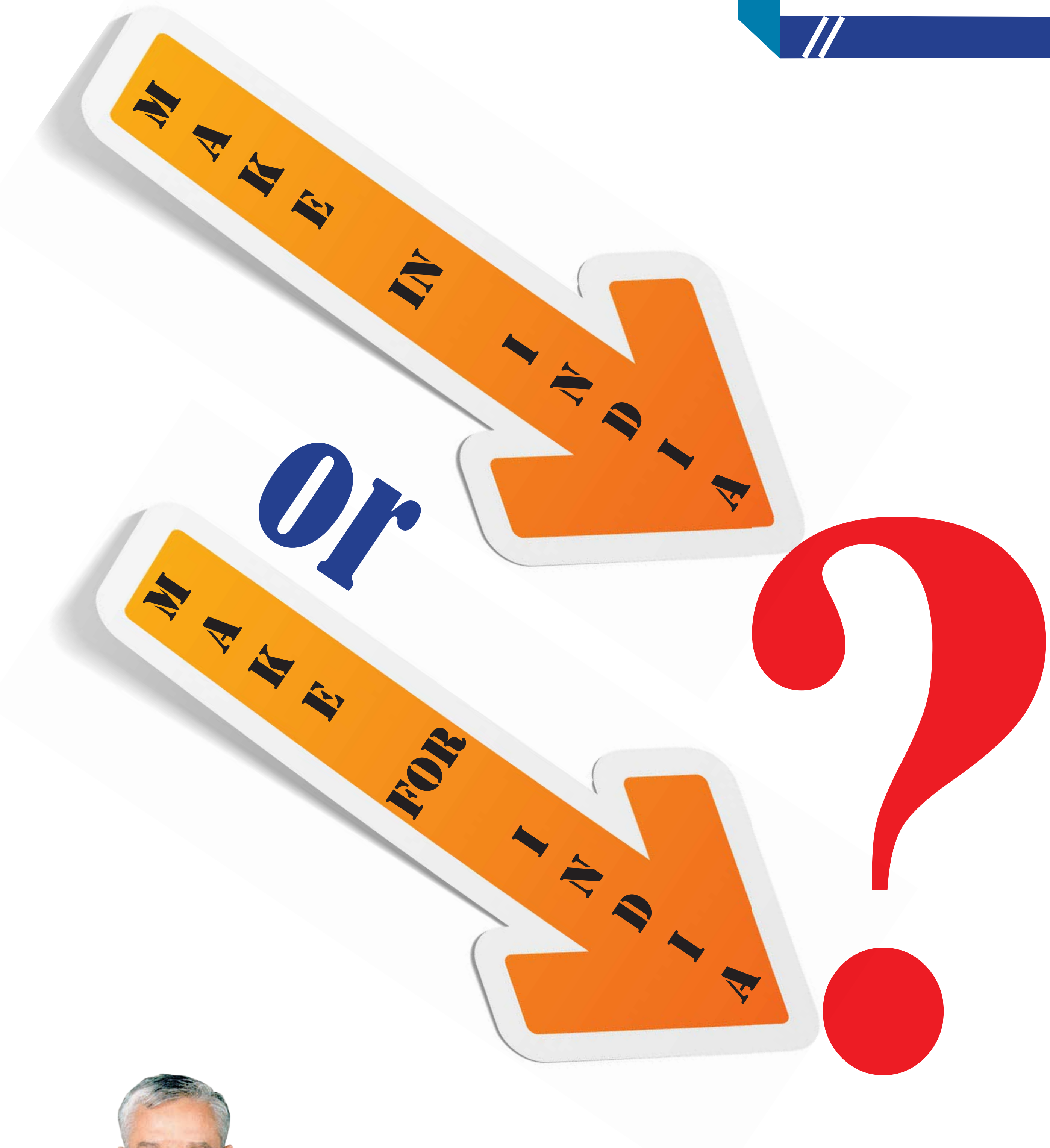

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Prime Minister Shri Narendra Modi launched **Make in India** campaign in September 2014. He appealed to the top Business investors across the world to invest in India. He said that they can invest in any sector – automobiles, pharmaceuticals, tourism, manufacturing, hospitality. He said **"Sell anywhere but Make in India"**. In short, the PM desired that India should become the manufacturing and business hub of the world.

Shri Raghuram Rajan, the then Governor of Reserve Bank of India delivered his speech at Bharat Ram Memorial Lecture, in December 2014. He appreciated the spirit behind the "Make in India" campaign; but he desired that "Make in India" should be modified as **"Make in India, Largely for India"**. He said that we have to produce for internal market and we must aim at building a strong national market.

Let us discuss the pros and cons of both the grand ideas try to arrive at a conclusion as to which is needed more for country.

Arguments for "Make in India"

There are various promising sectors in our country, where foreign investments can be made and manufacturing activities can take place. Let us look at these sectors.

Automobile sector

India is the 6th largest automobile producer in the

world, the 5th largest passenger vehicle manufacturer and the largest motorcycle manufacturer in the world. Delhi-Gurgaon-Faridabad, Mumbai-pune-Nasik-Aurangabad, Chennai-Bangalore-Hosur and Kolkata-Jamsehdpur are large automobile hubs in the country. In the last seven years, two wheeler productions have gone up from 8.50 million to 15.9 million units. Already global car manufacturers such as Maruti-Suzuki have heavily invested in India. These car majors plan to take advantage of India's favorable environment and want to set up an export oriented hub also here.

It is interesting to note that 100% Foreign Direct Investment is allowed in Automobile sector. Up to 100% participation in equity is permitted through Automatic Route. We also have an ambitious 10 year Automobile Mission 2016-2016. One of the goals is to create 650 lakh more jobs in this sector.

The Automobile Mission hopes to increase car export by 5 times and two wheeler export by 7.50 times.

This is what our Prime Minister Narendra Modi says exactly – "Make in India; sell anywhere!"

Electric vehicles: The department of Heavy Industry has been launching pilot projects for electric vehicles, so that the environment is cleaner and greener. As far as growth drivers are concerned, there is a growing working-class population and better-placed middle-class families. A large pool of skilled and semi-skilled workers is available in India. Faster adoption and manufacturing of Electric vehicles will help boost automobile industry.

Tax exemptions, excise duty concessions, incentives for manufacturing in North-Eastern states and additional incentives by various State Governments make Automobile industry favorable for FDI.

Aviation industry:

India is the 7th largest civil aviation market in the world and it hopes to become the 3rd

largest aviation market by the year 2020. There will be 6000 lakh international passengers by 2017. USD 15 billion FDI is projected by the end of the year 2016 in aviation sector. There are 5 international airports constructed under Public Private Partnership. Greenfield and Brown field airports will also become operational shortly. 100% investment is permitted for Foreign Direct Investment under Automatic route and this includes helicopter services too.

Bio Technology:

India ranks 12 in the world as a Bio Technology destination. It ranks 3rd in Asia-Pacific Region. India, for example, ranks No.1 in the manufacture of Hepatitis-B vaccine. India's bio tech industry will touch USD 100 billion mark by the year 2025. There is a large consumer base in India for bio technology products, with a large disposable income in the hands of the people.

India has a product patent system. We have a large number of trained and skilled people in the field of bio technology. There is a growing demand for healthcare services; we have supported a large number of Start Up companies. WE have cost-effective manufacturing capabilities than most other countries.

100% Foreign Direct Investment (FDI) is allowed under the Automatic Route, for green field pharmaceutical manufacturing and for medical services. We have a National Bio Technology Development strategy started in the year 2015. A lot of Bio Technology parks have been established, to help product development, research and innovations.

A lot of tax incentives are also available in India in Bio Technology sector, such as low corporate income tax. Service Tax concessions are also available for Bio tech enterprises.

Chemicals:

India is the seventh largest producer of Chemicals in the world and the 3rd largest in Asia. India is near the Petro chemical countries of the Middle-East. This is favorable for chemical manufacturing. There is a strong Government support for Chemicals Research and Development.

100% FDI investment is permitted through Automatic route. No licensing is necessary except a few dangerous chemicals

Chemicals are one of the most diversified in the world covering more than 70000 products. There is a great scope for chemicals manufacturing and chemicals consumption in the world.

We have many national agencies such as Department of Chemicals and Petro Chemicals, All India Plastic Manufacturers' Association, etc., to co ordinate the efforts of the investors who wish to invest in the Chemicals sector.

Construction:

More than USD 1 trillion has been invested in the construction sector in India. 100% investment in construction for FDI is permitted through Automatic Route in towns and cities. Construction industry contributes 8% to the national GDP (Gross Domestic Products). 100 Smart cities have been planned in India.

The Government of India in the Union Budget 2014-2015, has announced a project to develop "One hundred Smart Cities" as Satellite towns of larger cities

by modernizing the existing mid-sized cities in the country. . INR 70.6 Billion has been allocated in the current fiscal year for the same.

More than 60000 crores would be invested in Swatch Bharat Mission. These are latest initiatives – Smart cities and Swatch Bharat- of Government of India will require a lot of construction activities... Construction will also remain active because of increasing demand from Real Estate and infrastructure projects. There are large Government projects coming up. As regards Industrial Parks also, 100% FDI is permitted under the Automatic Route.

Food processing:

India has a rich agricultural background. Approximately 200 million hectares of land are under crop production. There are 127 agro climatic zones in India.

A rich agricultural resource based India was ranked No.1 in 2013, in terms of production of areca nuts, banana, castor oil seed, chillies, pepper, ginger, lemon, mangoes, guavas, papayas, buffalo meat, milk products, and sesame seed.

Strategic geographic location and proximity to food-importing nations makes India favourable for the export of processed foods. Extensive network of food processing training, academic and research institutes.

42 Mega Food Parks (MFP) are being setup with an investment of USD 2.38 billion. The parks have around 1250 developed plots with basic enabled infrastructure that entrepreneurs can take on lease for the setting up of food processing and ancillary units. As on 25.07.2016, out of 42 MFP projects 8 projects have been started.

India ranked 12th in the World in exports of food and food products in 2015

100% FDI is permitted under the automatic route in food processing industries

100% FDI is allowed through government approval route for trading, including through e-commerce in respect of food products manufactured or produced in India.

There are a lot of tax concessions and exemptions for food processing sector. / Reserve Bank of India has classified the sector as priority sector and soft loans are available from the financial system

Similarly, there are other promising sectors also such as pharmaceuticals, Port and Highways, Tourism and Hospitality, Thermal power and renewable energy, shipping and space science.

The Make in India campaign has picked momentum and the Government has expressed their confidence based on the above favorable statistics relating to various sectors.

Where can the opposition come from for going ahead in the campaign "Make in India?

The opposite views came from Dr.Raghuram the then Governor of Reserve bank of India.

Arguments for Make for India

Dr Raghuram Rajan reacted to the Government of India's initiative of Make in India during his speech at a Memorial Lecture months after the Government launched Make in India campaign.

Rajan actually appreciated the spirit behind the Government's campaign. But he was doubtful about its success. Let us examine the reasons:

The global economy is still weak. The Europe zone is going into recession. Japan is suffering under negative growth

Many emerging markets are shrinking and looking "inward:

The reason for the slowing economy is due to ageing population in the world, who want to consume less; another reason is that rich people have become very rich and their consumption requirements have become less…The ageing population expecting social security protection measures, are saving more. Demand is coming down.

Dr. Rajan says that Make in India requires implementation of building a sound infrastructure. Every corner of the country should be linked to domestic and international markets, through railways, roads, ports, airports and roads.

Moreover, power, minerals and water must be made available at competitive prices.

Making India ready for Foreign Direct Investment (FDI) is not easy. Our Human capital must be improved. We have to enhance the quality of life and make our people healthy. People need better and more appropriate education and skills which are valued in labour markets.

Dr.Rajan says that in India there are a lot of Regulations and restrictions to do business. There are a lot of inspectors who will slow down the start of a business in India. An entrepreneur will be de-motivated in this situation.

According to Dr.Rajan, we cannot follow the China-model. What is China model? China adopted the strategy of export-oriented growth. This China-model of manufacturing in China and selling to the world may not be successful in India. The world economies are shrinking. Growing industrial nations may not absorb a large quantity of exports. Rajan says that the world may not accept India as one more china-model manufacturing country (Make in India and sell anywhere)

Dr.Rajan makes one argument after another and says that Make in India will only allow foreign investors to take advantage of India's environment and labour market.

Make in India, Largely for India:

Rajan's argument is that because the world economy is shrinking, we have to create internal market. We must make in India, mainly for India. Even this requires a lot of infrastructure developments. The supply chain – from manufacturer to the last user, must have competitive intermediaries.

The need to make our banks strong:

If we have to cater to domestic demands (Make for India), then this demand must be financed by domestic savings. Our banks must learn from the past mistakes. They must evaluate big infrastructure projects and big manufacturing activities, which they have to fund. Banks in India are undergoing a lot of stress due to Non Performing Assets (NPA). Banks alone cannot fight this issue. All stakeholders – The Government of India, Reserve Bank of India and the courts- have to work together and help the banks. Banks should not have obstacles in financing.

We should also work together for making financial inclusion totally successful.

Dr.Rangarajan defined Financial Inclusion thus:

"It is a comprehensive idea. The poor and the vulnerable people should have access to all financial services at affordable cost- Opening of savings accounts, getting loans at low interest rates and making remittances," ,

Dr Rajan says that there should be real incentives for household savings so that the Domestic demands can be financed through domestic savings.

Transparency and stability of the India economy – Necessary for Make for India project:

Even developed countries such as Spain and Portugal are unable to meet their own domestic demand. Many countries make a big mistake. They have fiscal deficits, current account deficit but show high growth rate. This is wrong. When money tightens, the whole system will collapse. India should not make this drastic mistake.

Dr.Rajan makes a very important point as below:

Quote:

We do not belong to any power block. (US or Russia) We do not want to be in a position, where we need multilateral support. We should only ensure that policy framework is right. Clearly, a sound fiscal framework built around a fiscal consolidation is important."

Unquote:

Dr.Rajan further adds that if our country should grow, there should be a strong Central banking system which will keep inflation low and stable. This will enable growth to take place.

Another requirement is a strong regulator to monitor financial stability. In this regard, Rajan makes another bold statement:

Let me quote his words:

"In addition to inflation, however, a central bank has to pay attention to financial stability. This is a secondary objective, but it may become central if the economy enters a low-inflation credit and asset price boom. Financial stability sometimes means regulators, including the central bank, have to go against popular sentiment. The role of regulators is not to boost the

Sensex but to ensure that the underlying fundamentals of the economy and its financial system are sound enough for sustainable growth "

By way of conclusion, Rajan says that even though we are very dependent on global economy, global economy is now growing very slowly and it is " in ward looking:. That is why we need to think of domestic growth. Make in India should be modified as Make for India.

Let us summarize both the view points:

No.	Make in India	Make For India
1	Many sectors look promising. Therefore, FDI came to India freely	Except the US, markets in the world are not active. China-model of export oriented growth strategy will not work at present
2	100% FDI is permitted, without any need for pre-approval	A lot of infrastructure developments are required if FDI investments have to come
3	Skilled, semi skilled and un skilled are available in India in plenty	In India human resources need to be trained and skilled
4	Important policy changes have been made to facilitate FDI	We must concentrate on Domestic needs/domestic markets
5	The Government is very optimistic about Make in India and enthusiastic to make it success	These domestic demands must be met by domestic savings
6	Exports will increase and India will become a Global Manufacturing Hub	Policy changes and their proper implementation are required
7	Therefore, Make in India is a good proposal	Therefore, Make in India, largely for India, is a better proposal

Conclusion

Rajan is not pessimistic about Make in India campaign. He is not against exports from India. He says our infrastructure should first be developed. With the present inflation level, current account deficit and faulty policy implementation, we should not go aggressively for growth.

On the other hand, Prime Minister Narendra Modi and his team of think-tank have thought about these aspects. They are confident that Make in India can be a grand success. The P M says that India should take advantage of the favorable industrial climate. Dr.Rajan himself says that he is not opposed to export oriented growth. He says that India can create demand in the rest of world also.

The present de- monetization drive has come as a bold and un-precedented step in the right direction. Black money is a big challenge for growth. Now that the Government has taken bold steps in eradication of black money, development work in the country will gain momentum.

Infrastructure development, policy changes, effective implementation of Policies are common requirements for both Make in India and Make for India projects.

Make in India is good for the country, if Dr.Rajan's concerns are also taken into account. In fact, Make in India and Make for India are not contradictory, but they can happen together. MA

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Rationale for Tax Evasion: A Study

For financing public expenditure and fostering economic development of a country, taxes are imposed by the Government of any country (Omoigui, 2007). There are two schools of thought regarding the imposition of taxes by the State. One is based on 'ability to pay principle' which assumes the State to be the master and exists for the welfare of the very society which includes us all. The genesis of this principle lies in the Marxian philosophy of socialist economy where it is propagated that those who earn or have more should pay more taxes so that it can be used for the society by the State (income tax or wealth tax). Another school of thought argues that tax should be charged on cost-benefit principle which precisely mean that if someone is paying the tax then in exchange of that he or she or the entity has the right to receive certain benefits in exchange. In other words if one gets no benefit he/she must not be forced to pay taxes. There lies the conflict

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or the debate. The fundamental question is in which school of thought someone belongs to. The ethics of tax evasion stems from this very conflict of ideas belonging to the two distinct schools of thoughts. There is another dimension into it which speaks about concepts of tax fairness which is very much interconnected with the tax evasion. The very concept of the tax fairness is deep rooted into the Cannons of Taxation as propounded by Adam Smith (1776) which are Canon of Equality, Canon of Certainty, Canon of Economy, Canon of Convenience. Out of which the most important one is Canon of Equality which suggests that tax system is considered to be fair when tax paid by the taxpayers based on their ability (horizontal tax fairness). In the similar fashion there must also be vertical fairness i.e. one who earn more should pay more tax and vice versa (Faizal & Palil, 2015; Barjoyai, 1987). In the absence of the horizontal or vertical tax fairness there would be a situation where more and more people would be inclined towards Tax Evasion which is detrimental to the economy Gilligan & (Richardson, 2005; Robert and Hite, 1994) . Tax laws are amended over the time in order to make it free from flaws and available escape routes. This is one way of curbing tax evasion. However, the problem is much bigger, broader and macro in nature. In the first way the effort is concentrated upon '*How to curb tax evasion?*' On the contrary the other approach emphasises on *'why people tend to evade tax?'* If the answer to the later one can be found out perhaps former one will become a redundant issue. Of course answering *'why people tend to evade tax?'* is much more complex and requires deep introspection into the very motives and rationale of tax evasion. In this backdrop the current study will try to shed some light on the underlying rationale or subjective justification in favour of tax evasion among the respondents.

Review of Existing Literature:

Why people evade tax? Well, Schmölders (1959) made an attempt to delve into the discourse by propounded Fiscal Psychology Theory which precisely says that if the perception of the people is that they are not getting the benefit directly then they don't find any valid reason of paying tax to the Government. The theory also suggests that whether people will be motivated towards tax evasion will depend upon the relationship between the taxing authority and taxpayers. More the trust and faith in the Government lesser will be the tax evasion (Damayanti et al., 2015). At the same time it is the task on the part of the Governments to ensure that the citizens of the country are given the rights which they are entitled to so as to seek full cooperation for tax enforcement (Cullis and Lewis, 1997). The underlying asset is tax evasion. Now based on the risk appetite of the tax payer the decision of tax evasion is either taken up or set aside. If it happens to be a risk averse person then probably the person would not like to take any risk by evading tax in anyway, however the a person who can take risk will evade tax and bear the risk of being penalized. Thus there is some sort of moral satisfaction that they get by evading tax and not getting caught. Later on this idea was further extended and refined by Yitzhaki (1974). Filling up this gap Bordignon (1993) showed that the probability of tax evasion increases with increase in the tax rates and the Government's unwillingness to incur public expenditure or infrastructure. Again the tax evasion is often conditioned upon the culture of the society and what is believed to be right or wrong in the society. Gordon (1989) rightly captured the contagious nature of the tax evasion practice in the society and that will occur more if it happens to be a cash-based economy (Tanzi, 1983). A number of research studies have been conducted all over the globe to find out 'Whys' of tax evasion by the way of perception study or attitude survey. In most cases the results indicate that generally under diverse given conditions people prefer not to indulge in tax evasion but there are situations where the same people justifies tax evasion under some situations (Pommerehne et al., 1994; Edlund,1999; Alm and Vazquez, 2007; Richardson, 2008; Saad, 2010; Kogler et al.,2013; Razak and Adafula, 2013; Awan and Hannan, 2014; Rani and Kumar, 2014; Takril and Sanusi, 2014; Alm et al., 2016; Ling et al, 2016; McGee et al., 2016). The general findings of the studies suggests that if in certain cases the system of taxation is found be unfair or cannons of taxation are violated the likelihood of tax evasion in the society increases. However while going through the existing literature it was found out that there is a dearth of adequate documented evidence in the context of India especially in the West Bengal. Thus the current study will make an attempt to bridge this gap by the way of exploring the ethics of tax evasion (if any) as per the perception of the tax professionals practicing in Asansol and Burdwan City of Burdwan District and the PG Commerce Students and Teachers of Burdwan University of West Bengal.

Objective of the Study:

The present study has been carried out with the prime objective of determining the rationale of tax evasion (if any) as per the perception of the respondents.

Research Methodology:

The current study is predominantly analytical in nature. For the purposes of this study structured questionnaire was developed by incorporating the knowledge obtained from the previous research works reviewed for the purpose of this study. The questionnaire is a tested and popular one borrowed from the original work of McGee et al. (2015). The questionnaire used 5 point Likert scale [(1) Strongly Disagree (2) Disagree (3) Neutral (4) Agree (5) Strongly Agree] for evaluating the opinions of the respondents. The current study is conducted on three different categories of respondents during the period from 1st May 2016 to 30th December, 2016. Firstly, Using a snowball sampling technique 60 questionnaires were distributed to the tax professionals Chartered Accountants, Cost Accountants, Tax lawyers practicing in Asansol and Burdwan city of which 30 responses were finally collected. Secondly, the structured questionnaire was also administered on the teachers of The University of Burdwan. Out of total number of 224 permanent faculty members the questionnaire was served to 100 teachers working under different Departments of The University of Burdwan. However only 30 filled up questionnaire was finally collected. Thirdly, survey was also conducted on the PG students (M.Com) having knowledge of tax of The University of Burdwan. Using simple statistical techniques such as measure of central tendency and Ranking technique was adopted to attain the objectives. In order to examine the existence of the differences in opinions across different group of respondents two non-parametric test namely Kruskal Wallis Test and Median Test were applied. The mean[1] was calculated based on the frequency of the responses.

Findings and Analysis:

Table 1: Descriptive Statistics of Ethics of Tax Evasion:

No.	Statements	Professionals (N=30)		Teachers (N=30)		Students (N=66)	
		Mean	Mode	Mean	Mode	Mean	Mode
1	Tax evasion is right because the tax rate in India is very high.	4.012 (80%)[2]	4	2.33 (47%)	2	2.58 (52%)	2
2	Tax compliance procedure is very complex.	2.800 (56%)	2	2.90 (58%)	2	3.56 (71%)	4
3	Tax compliance cost is very high.	2.633 (53%)	2	2.67 (53%)	2	3.32 (66%)	3
4	Tax evasion is correct as there are multiple taxes prevailing in India.	3.833 (77%)	4	2.13 (43%)	2	3.94 (79%)	4
5	Those who evade tax without being caught by the IT department enjoy high level of satisfaction of challenging spirit.	3.105 (62%)	3	2.90 (58%)	3	3.89 (78%)	4
6	Tax evasion is ethical because everyone else is doing it.	3.766 (75%)	4	1.87 (37%)	2	4.03 (81%)	4
7	Most of the people in India are unethical so they evade tax.	3.809 (76%)	4	4.125 (83%)	4	3.997 (80%)	4
8	There is a lack of awareness about the tax system among the Indian citizens.	3.900 (78%)	4	3.85 (77%)	4	3.98 (80%)	4
9	The level of corruption in India is very high thus even if someone gets caught by tax officers, it can be managed.	3.833 (77%)	4	3.60 (72%)	4	3.74 (75%)	4

No.	Statements	Professionals (N=30)		Teachers (N=30)		Students (N=66)	
		Mean	Mode	Mean	Mode	Mean	Mode
10	Tax evasion is morally correct if the tax revenue winds up into the pockets of corrupt politicians and their family or relatives.	3.870 (77%)	4	2.43 (49%)	2	4.501 (90%)	5
11	The tax administration is inefficient.	2.900 (58%)	2	2.77 (55%)	3	3.11 (62%)	3
12	There is inadequate penalties and prosecution for tax evasion.	2.700 (54%)	2	3.540 (71%)	4	2.88 (58%)	2
13	There is very remote chance that one will be caught if he/she evades tax.	3.759 (75%)	4	2.630 (53%)	2	3.678 (74%)	4
14	Tax evasion is ethical if someone can't afford to pay.	2.766 (55%)	2	2.470 (49%)	2	3.38 (68%)	3
15	Tax evasion is ethical even if tax rates are not too high, because the Government is not entitled to take as much as it is taking from me.	2.566 (51%)	2	2.66 (53%)	3	2.40 (48%)	2
16	Tax evasion is ethical even if a large portion of the money collected is spent on worthy projects.	2.566 (51%)	2	2.30 (46%)	2	2.53 (51%)	2
17	Tax evasion is ethical if a large portion of the money collected is spent on projects that I morally disapprove of.	2.766 (55%)	3	2.27 (45%)	2	2.52 (50%)	2
18	Tax evasion is ethical if a large portion of the money collected is spent on projects that do not benefit me.	2.933 (59%)	2	2.13 (43%)	2	3.37 (67%)	3
19	Tax evasion is ethical even if a large portion of the money collected is spent on projects that do benefit me.	2.533 (51%)	2	2.20 (44%)	2	2.62 (52%)	2
20	Tax evasion is correct if the tax system is not fair.	3.985 (80%)	4	3.837 (77%)	4	3.701 (74%)	4
21	Tax evasion is ethical if the government discriminates against me because of my religion, race or ethnic background.	2.833 (57%)	3	2.17 (43%)	2	4.054 (81%)	4
22	Tax evasion is ethical even if it means that if I pay less, others will have to pay more.	2.600 (52%)	2	2.10 (42%)	2	2.104 (42%)	2
23	Tax evasion is correct if the large portion of the tax revenue collected is wasted.	3.960 (79%)	4	3.568 (71%)	4	3.89 (78%)	4
24	Tax evasion is ethical even if most of the tax revenue collected is wisely spent.	2.012 (40%)	2	2.301 (46%)	2	2.121 (42%)	2

Author's own calculation based on survey

It can be seen from Table 1 that there were altogether 24 statements in the questionnaire for the identification of the ethics of tax evasion against which three strata of respondents have quoted their perception. The mean values have been presented for each of the statements against all the 24 statements for a total of 126 respondents. The values in parenthesis indicate how many respondents in terms of percentage strongly agreed. Understanding of the underlying causes of such tax evasion behaviour is of great interest in order to take up necessary steps towards curbing of tax evasion. Detailed analysis of Table 1 would reveal that in case of some statements the mean response score is close to 2, thus it implies that majority of the respondents are disagreeing with the statement, in some cases the responses are very close to 3 implying that the respondents tried to remain neutral in respect of those issues and in other cases the responses were found to be close to 4 which implies that the majority of the respondents agreed to that statement. To be very specific we will be interested in the responses which were found to be close to 4 because those statements will expose the underlying motives of the tax evasion. From Table 6 it can be easily seen that out of the 24 statements, 10 motivations (statement number 1, 4, 6, 7, 8, 9, 10, 13, 20 and 23) were found to be adequate justification for tax evasion from the view points of the tax professionals. Out of the 24 possible motivations used in this study, the teachers have chosen six situations where they find adequate justification for tax evasion (statement number 1, 4, 6, 7, 8, 9, 10, 12, 20 and 23) From the analysis of Table 1 it is very much evident that the perception of the students or the number of statements where the students found sufficient justification of tax evasion was more in numbers as compared to that of the other group of respondents. The ten reasons (statement number 4, 5, 6, 7, 8, 9, 10, 13, 20, 23) were cited by the students which they think stimulate tax evasion amongst students India.

Table 2: Cases where the all groups were less opposed to tax evasion:

Statement Number of Table 1	Statements	Chi-Square Value	
		Kruskal Wallis Test	MedianTest
7	Most of the people in India are unethical so they evade tax.	0.726 (0.696)	0.874 (0.646)
8	There is a lack of awareness about the tax system among the Indian citizens.	0.602 (0.740)	0.438 (0.803)
9	The level of corruption in India is very high thus even if someone gets caught by tax officers, it can be managed.	0.264 (0.876)	0.783 (0.691)
20	Tax evasion is correct if the tax system is not fair.	0.266 (0.875)	0.799 (0.671)
23	Tax evasion is correct if the large portion of the tax revenue collected is wasted.	0.088 (0.957)	0.066 (0.986)
Value in parenthesis indicates the p-Values; Author's own calculation based on survey			

Table 2 shows the common justifications as put forwarded by the three categories of respondents for tax evasion. Lack of ethics, lack of tax awareness, high level of corruption, unfair tax system and waste of public money were the major driving forces of tax evasion in India as per the perception of the respondents. The result of both the non-parametric test also suggests that there exists no statistically significant difference of opinion in respect of the given statements.

Conclusion

Tax evasion refers to all those illegal activities or practices which are adopted by a taxpayer to escape him/her-self from taxation. In an effort to understand the underlying ethics, effect of the tax evasion the study carried out a primary survey. The outcome of the study revealed that the respondents in no situation attached any favour to the tax evasion except the case of students. The opinions showed that tax evasion cannot be justified in any manner except in situations such behaviour if the prevailing rate of tax are found to be very high in any country, the lack of awareness about the taxation system amongst the people of any country, if the level of corruption is very high meaning that tax evader get away with it by bribing the tax officials or engaging into corruption, if the tax revenue winds up into the pockets of corrupt politicians and their family or relatives and if the taxation system is not efficient enough to catch the tax evaders. Thus this kind of input may be of great help for the Governments designing appropriate policy so that the *'whys?'* of tax evasion can be nipped in the bud. MA

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Footnotes

[1] Mean= $(\sum f y)/(\sum f)$ where f is the frequency and y is the value of the variable

[2] Percentage= Mean/5; where Mean= $(\sum f y)/(\sum f)$, 5 is the maximum value that can be assigned as response.

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Admission to Associateship, Effective Date is July 19,2017

MEMBERSHIP NO	NAME
42700	Aniket Goyal
42701	Sanjay Narang
42702	Deb Bhattacharya
42703	Janaki L
42704	Rudrapratap Sinha
42705	Murali S
42706	Usha Thippallar Chandrappa
42707	Sandhya
42708	Saurabh Bhure
42709	Narendra Khandelwal
42710	Jeyadevi R
42711	Prerna Sharma
42712	Surendra Bhavanam
42713	Sridhar Bonthu
42714	Sakshi Agarwal
42715	Eswar Reddy Duggireddy
42716	Anirban Das
42717	Lalitha Siva Jyothi Gumparlapati
42718	Rajakrishnan Anandakrishnan
42719	Suthakhar Durai Arumugam
42720	Dishant Bhavin Bavishi
42721	Hamsini Amritha S
42722	Ashok Kumar Murahari
42723	Ghanshyam Tiwari
42724	Pawan Popli
42725	Ranjana Anirudh Singh
42726	Sushanta Kumar Mondal
42727	Ajiz Gulab Shaikh
42728	Mohd Arif
42729	Gokavarapu Anjaneyulu
42730	Jagdishbhai Maganlal Gurjar
42731	Bikash Kumar Agarwal
42732	Anita Vaijanath Swami
42733	Shefali Jain
42734	Bijay Kumar
42735	Surajit Pramanik
42736	Manav Jain
42737	Maithili Milind Shintre
42738	Rajesh George Thomas
42739	Ranjith Kumar Kalyanapu
42740	Kushal Kumar
42741	Sneha Prasanna
42742	Dinesh Kumar Choubey
42743	Mohan Babu V
42744	Ankit Sharma
42745	Lakshmi Manasa Nagumalla
42746	Anup Kumar Dubey
42747	Dinesh Raj Vasu

MEMBERSHIP NO	NAME
42748	Ramesh Atukuri
42749	Tarun Nagar
42750	Vipin Kumar
42751	Pankaj Maheshkumar Raval
42752	Karthik M
42753	Divya Sekar
42754	Hasit Mahendra Chokshi
42755	Megharaj Harbaji Gohane
42756	Vinayak Vasant Solankure
42757	Vasvi Srivastava
42758	Manish Loyalka
42759	Ramesh Kumar Swain
42760	Jaya Meena
42761	Shibani Banerjee
42762	Tamanna Vinayak
42763	Shrikant Keshaorao Labde
42764	Niranjan Rao Bandaru
42765	Lavanuru Naresh Reddy
42766	Saravana Perumal Aiyathuray
42767	Rachit Pravinchandra Shah
42768	Rahul Gobarbhai Hirpara
42769	Bandita Borah
42770	Vijay Tukaram Pawar
42771	S Rajiv Lochan Patro
42772	Sanju Praveen Shukla
42773	Srikanth Guttidurga Nagaraja Rao
42774	Manoj Kumar
42775	Mehul Rajeshkumar Ranpura
42776	Suraj Garg
42777	Shaileshkumar Hiralal Rathod
42778	Shyam Kishor Sharma
42779	Roop Singh
42780	Venkatesh Kumar
42781	Midhula Madanan
42782	Harshada Vasant More
42783	Oshien Bhargava
42784	Vinod Kannan T
42785	Ramesh Rokkham
42786	Sai Sobhana Returi
42787	Radha Kumari Nannapaneni
42788	Dibyendu Saha
42789	Nitin Pruthi
42790	Devashree Raja Achlerkar
42791	Manoj Kumar
42792	Surabhi Mudgal
42793	Lakshmi Prasanna Vemuri
42794	Nidhi Panwar
42795	Maheshkumar Jayntilal Radadiya

MEMBERSHIP NO	NAME
42796	Venkatarangan N L
42797	Chandra Sekhar Pandey
42798	Sandeep S
42799	Dipak Hasmukhrai Joshi
42800	Deepak Maheshwari
42801	Balu K
42802	Naba Kumar Das
42803	Suman Sarkar
42804	Abhijeet Uttamrao Kahandal
42805	Sagar Baburao Gaikwad
42806	Vishal Vinayakrao Deshmukh
42807	Gaurav Uddhav Nikumbh
42808	Chandhuru Manoharan
42809	Rahul Jain
42810	Harshit Goel
42811	Anuradha Swaminathan
42812	Bindu Sharma
42813	Badrinath Nelamangala Radhakrishna
42814	Santosh Avinash Bachal
42815	Madhumita Sah
42816	Bipin G Wadhwa
42817	Balakoteswara Rao Nannemala
42818	Govind Narayan Shukla
42819	Biswa Mohan Rath
42820	Leela Naga Kumar Kota
42821	Rachita Garg
42822	Kranthi Kumar Kothapalli
42823	Mukesh Kumar Sah
42824	Saurav Kumar
42825	Suresh Mutyala
42826	Veera Bhadram Edupuganti
42827	Karan Bhusry
42828	Naveen
42829	Krishan Kumar
42830	Yashpal Singh
42831	Sachinandan Mohanty
42832	A Aarif Khan
42833	Selvaraj Chinnappa Sengunda Mudaliar
42834	Narayan Adhikari
42835	Sagar Popat Dhiwar
42836	Devang Dilipkumar Jadeja
42837	Yogesh Labhubhai Buha
42838	M Giri
42839	Srinidhi S
42840	Ankush Ramdas More
42841	Sree Mohana Vamsi Krishna Alluri
42842	Satish Kumar Reddy Dwarampudi
42843	Murtuza Esoof Batawala
42844	Sanjeev Kumar
42845	Tirupati Swamy Kayala
42846	Dinesh Chopparapu
42847	A Nianar Mohammed
42848	Saranya Balaji
42849	Vivek Kumar

MEMBERSHIP NO	NAME
42850	Venkatesh Macharla
42851	Kushal Digambar Kale
42852	Ganesh Shivaji Tekawade
42853	Chandan Kumar
42854	Mahesh Dhondiram Deore
42855	Suresh Bollabathini
42856	Usha Pandey
42857	Rajesh Dhariwal
42858	Madan Krishnamuthy
42859	Kamal Kumar Mohanty
42860	Sunil Kumar
42861	Banktesh Kumar
42862	Siddhesh Krishnakant Dewalkar
42863	Vimal Khanna
42864	Rajesh Kumar Bothra
42865	Manish Singhania
42866	Narayanan Vijayakumar
42867	Nitisha Goyal
42868	Bodapati Lakshmi Parvathi
42869	Manik Kumar Sanatan Bej
42870	Balaji S
42871	Jagadeesh Tiruveedula
42872	Karthik R
42873	Sundaram Ramakrishnan
42874	Manish Kumar Sharma
42875	Bibhu Prasad Nayak
42876	Srushti Ashok Bedekar
42877	Raju Engala
42878	Prashant Arun Rahate
42879	Pallabi Parimita Dash
42880	Saidarao Bhusa
42881	Abhishek Sharma
42882	Deepak Parekh
42883	Manoj Kumar Jain
42884	K Suresh Babu
42885	Arief Basha Shaik
42886	Deebiga M
42887	Sindhu Cherukizhangil Thomas
42888	Gopalakrishnan Mahadevan
42889	Kali Chaitanya Kattekota
42890	Arun Kishore Vinjamuri
42891	Srivatsan V
42892	Nihar Nayak
42893	Tarun Kumar
42894	Pallab Bhattacharya
42895	Miteshsinh Dilipsinh Chauhan
42896	Narmatha G
42897	Swati Jain
42898	Mayur Shankar Wavhale
42899	Ajay Shankar Gupta
42900	Isha Kumari
42901	V Krishnaprasad
42902	Sachin Prabhakar Kulkarni
42903	Mayuresh Bhaskar Kokil

MEMBERSHIP NO	NAME
42904	Madhuri Gottam
42905	Chaitanya Venkara Krishna Sreedhara
42906	Mannu Roy
42907	Venkanna Sanivarapu
42908	Shaji Mathew
42909	Ginny Luthra
42910	Anita Kumari Singh
42911	P Venkata Lakshmi Durga Devi
42912	Vinod Kumar Ramnevaj Yadav
42913	Aditi Khazanchi
42914	Anisha Bhargava
42915	Sunita Agarwal
42916	Ronak Rajesh Samani
42917	Chari Rangaraj Sampathkumar
42918	Jayalakshmi P
42919	Ninan George
42920	Shiv Dutt
42921	Ansil Joseph E
42922	Suman Biswas
42923	Dipika Arora
42924	Lokesh Komatlapalli
42925	Divya Dinakaran
42926	Subhransu Dasmahapatra
42927	Anil Kumar Majety
42928	Satish N
42929	Mamillapalli Pavani
42930	Rajarajan K S
42931	Sayantan Mallick
42932	Cily Jose
42933	Mithun Ghosh
42934	Priyanka
42935	Abhishek Bhadauria
42936	Rajdeep Ghosh
42937	Suman Debnath
42938	Babu Muralidharan
42939	Kuldeep Singh Negi
42940	Sai Sruthi Kothamasu
42941	Venkata Goutham Kumar Kondapalli
42942	Gourav Garg
42943	Vikrant Ramakant Kathole
42944	Bhawani Shankar Chandak
42945	Ajit Kumar
42946	Meda Mahesh
42947	Neha Gupta

Advancement to Fellowship, Effective Date is July 19,2017

MEMBERSHIP NO	NAME
5284	Debasis Sinha
8705	Rajanesan Muthuvalavan
9647	Maharajan Nallasivan
11341	Krishnamurthy R Hegde
11822	Santosh Kumar Pradhan
12194	Pradip Kumar Pal
12239	Shyam Kishore
13591	Rana Ghosh
13635	Dhirendra Chaudhury
14439	Sukhendu Roy
14834	P Kaviarasu
16863	C K Rajan
18030	Prasanna Kumar Das
18088	Tapan Kumar Bhattacharyya
18258	Ratikanta Rout
19097	Amitava Saha
19354	Umesh Kumar Srivastava
19605	Dileep Kumar Shaw
20458	Anil Kumar Singh
20564	Dilip Kumar Goswami
20597	Jayashree Ramanan
20796	Venkataraman L
21176	Senthilnathan Nagalingam
21300	G Ganesh Babu
21850	Prakash Nath Mishra
22327	Viswanath Sahu
22603	Jawahar Lal Koery
23271	Venkatramani Rajaram
23427	Sanjay Khandelwal
24108	R Geetha
24354	Ajay Kumar Barnwal
24789	Ravi Pratap Singh Sengar
24977	Banka Srinivas Rao
25074	Susanta Kumar Saha
26194	Santhi Swaroop Voonna
26336	Amar Pal
26753	Sudipta Kar
26975	Anup Kumar Gupta
27068	Avinash Choudhary
27376	Sanjay Kumar
27421	Vijayashanthi J
28133	Venkata Subramanya Sai Aravind Gowravajjala
28231	Mohit Kakkar
28254	Satish Ramabadran
28430	Samir Kumar Das
28878	Seema Verma
29022	Jiten Pati
29158	Ritesh Brijlal Kanojiya
29414	Amit Kumar Singh
29593	Satyendra Tripathi
29670	Jagdish Prasad Sarda

MEMBERSHIP NO	NAME
30448	Durgesh Kumar Panday
30692	Sabari Ganesh S P G
30767	Suchismita Parida
30852	Harish Kumar Joshi
30868	Mihir Kothari
30901	Subir Kumar Roy
30973	M Venkatesan
30981	Priyabrata Sahoo
31054	Ashish Agarwal
31112	Diptajit Mukherjee
31140	Nabanita Ghosh
31239	Anil Gupta
31418	Haresh Anant Lokegaonkar
31480	Debajyoti Majumdar
31491	Rakesh Kumar Shekher
31784	Sudha Rani V

MEMBERSHIP NO	NAME
31973	A Hari Narayana Prasad
32056	Venkata Govinda Rajulu Sadanala
32088	Sisir Kumar Sahoo
32133	Krishna Mohan Maringanti
32199	Atul Deep Gupta
32208	Khushboo Saini
32209	Shreya Sahu
32245	Bhawana Tomar
32260	Lakshminarayana Chilukuri
32283	Santosh Pant
32375	Srikanth Kamma
32382	Brijesh Champaklal Mali
32384	Vani Prasad Miriyala
32706	Ramesh Subramanian
32729	S Chockalingam

Associateship on the basis of MOU with IMA USA, Effective Date is July 19,2017

MEMBERSHIP NO	NAME
42948	Sandeep Kumar
42949	Sharon Mathew
42950	John Joseph
42951	Gopalakrishnan Kumarapillai
42952	Sairam Beeman
42953	Suresh Kondur
42954	Prasanth K Kumaran

MEMBERSHIP NO	NAME
42955	Balakrishna Balakrishna
42956	Sathish Kumar Siddavathula
42957	Mohammad Asif Iqbal Khan
42958	Bhaskar Parameshwaran
42959	Ajay Kantilal Panchal
42960	Siddharth Suneel Sole

Associateship on the basis of MOU with IPA Australia, Effective Date is July 19,2017

MEMBERSHIP NO	NAME
42961	Muhammad Zeeshan Ansari
42962	Mohasin Mohamedkhalil Tahasildar
42963	Amin Saleem
42964	Syed Asif Raza
42965	Faisal Zia
42966	Muhammad Humayon Khan
42967	Mahiban Rajendram
42968	Anwar Ahmed Khan
42969	Shafiq Ur Rehman Bhatti
42970	Arif Hassan
42971	Syed Atif Aqeel
42972	Tasleem Faraz Minhas
42973	Shivang Thakur
42974	Muhammad Adeel Khan
42975	Syed Faisal Hassan
42976	Malik Waqar Hussain
42977	Norman Alferez Macabeo

MEMBERSHIP NO	NAME
42978	Nauman Qayyum
42979	Mohsin Saeed Ahmad
42980	Manzil Dipak Bhayani
42981	Anbarasan Sanjeevi
42982	Muhammad Fayyaz
42983	Hassan Raza
42984	Noor Azam
42985	Nagesh Desaraju
42986	Irfan Mahmood
42987	Ramjee Dughria
42988	Syed Imran Hussain
42989	Bijeesh Vattapoyilil
42990	Syed Jawwad Ul Hassan Naqvi
42991	Biju Johnson Suseela
42992	Prasanna Anurada Ekanayaka
42993	Muhammad Zahid Imtiaz

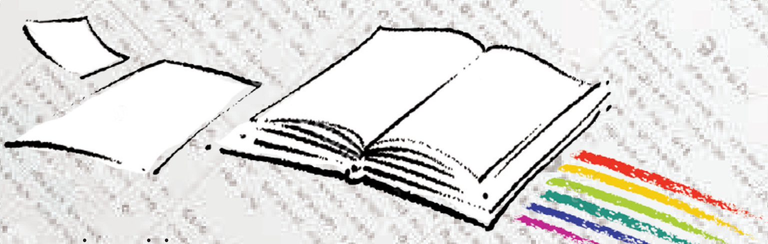
Role of CMAs in Competition Act: Key Driver of Competitiveness

✤ *Pricing Mechanism:*

In India, regulatory mechanism is being strengthened for each and every sector. Availability of detailed cost data is a pre-requisite for the effective functioning of any regulator. Today, more than 80% of international trade disputes are related to transfer pricing which in-turn requires cost data to determine the arms' length price. Benchmarking and assessment of competitiveness for different industries requires cost data. Competition Commission has been continuously seeking cost data for many sectors. Cost information plays a critical role in transfer pricing, predatory pricing, fixation of margin of dumping for the purpose of levying anti-dumping duty, free trade agreement, consumer protection, revival of sick companies and corporate governance. The Competition Commission of India (CCI) ensures and guards against unfair trade practices, non-injurious price, price under cutting and predatory pricing. Cost and Management (CMA) professionals are proficient enough to maintain Relevant cost records as per Generally Accepted Cost Accounting Principles which would enable CCI to identify cases of unfair trade practices.

✤ *Appearance before Commission/Legal Representation:*

As per Section 35 and 53 S of the Competition Act 2002, Cost and Management Accountants (CMAs) who has obtained Certificate of Practice are recognized to make representations on behalf of a "complainant" or a "defendant" before the Commission and may present the case with respect to any appeal before the Appellate Tribunal. As per the law, a person preferring an appeal to the Appellate Tribunal may either appear in person or authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Appellate Tribunal. The Central Government or a State Government or a local authority or any enterprise preferring an appeal to the Appellate Tribunal may authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to act as presenting officers and every person so authorized may present the case with respect



to any appeal before the Appellate Tribunal. The Commission may authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to act as presenting officers and every person so authorized may present the case with respect to any appeal before the Appellate Tribunal.

✤ *Competition Risk Management:*

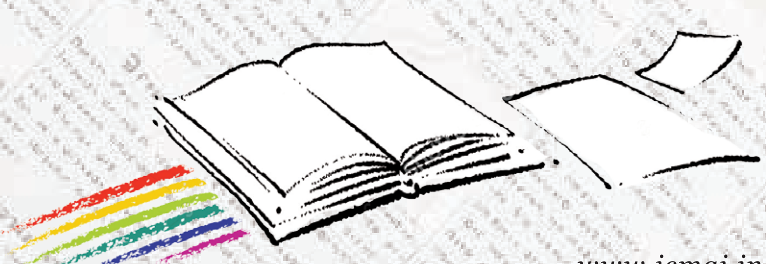
In an increasingly global market, companies face rising levels of competition. As such, it is natural that all organizations face some degree of competitive risk. When it comes to managing competition risk, for many businesses a sound defensive strategy can be incredibly important. Risk Mapping is the process by which organizations methodically identify the risks attaching to their activities in pursuit of organizational objectives and across the portfolio of all their activities. CMAs are professionally competent enough to frame effective strategies for risk assessment, risk evaluation, risk treatment and risk reporting. The focus of good risk management is the identification and treatment of those risks in accordance with the organization's risk appetite.

✤ *Competition Advocacy:*

Competition Advocacy is one of the major pillars of modern competition law which seeks at creating, expanding and strengthening awareness of competition in the market. Advocacy is the act of influencing or supporting a particular idea or policy. Effective implementation of any policy and law largely depends upon the willingness of the people to accept the law. In that sense advocacy always plays a vital role in securing the willingness and acceptability of any policy and law. Raising the level of awareness among the public is an important step towards creating a competition culture within the country. Here, The Institute of Cost Accountants of India is eager to have collaborative completion compliance programme with Competition Commission of India (CCI) towards ushering competition compliance and competition culture in India.

✤ *Assist in detection of contraventions of the Competition Act:*

Unhesitatingly, protecting consumers and ensuring freedom of businesses and to engage in economic conduct free from abuse by dominant firms will contribute to economic development but determining dominance of a firm or group is highly subjective and complex. It is more challenging for a new agency of an emerging economy of India. There are no hard and fast rules to determine dominance. Erroneous determination of dominance will allow them to perpetuate with exploitative and exclusionary conducts. Thus, CMAs can assist CCI in early detection of contraventions of the Competition Act and frame techniques to trim down error.



EASTERN INDIA REGIONAL COUNCIL

The Institute of Cost Accountants of India-Bhubaneswar Chapter

On June 21, 2017, the Chapter observed 3rd International Yoga Day at its conference hall in reference to the announcement of the United Nations General Assembly (UNGA). Shri Kalandi Charan Singh, one of the reputed Yoga Guru at Bhubaneswar guided the participants and also created awareness about the merits and importance of yoga. As the Institute had observed GST Implementation Fortnight from 1st July to 14th July, 2017, to mark this, the chapter organized a seminar on 'GST' on 1st July, 2017 at its premises. CMA Niranjan Swain, Sr. G.M (Finance), OPGC Ltd, Bhubaneswar addressed at the seminar as chief speaker and answered the queries related to GST. CMA Niranjan Mishra, council member as guest of honour, CMA Shiba Prasad Padhi, member, EIRC as guest of honour, CMA Prafulla Kumar Swain, sr. member of the chapter, CMA Surya Narayan Mishra, chairman, CMA Jagatjyoti Biswa Ranjan Nayak, secretary, CMA Saswat Tirpathy, chairman, PD Committee cum treasurer of the chapter were among other eminent dignitaries who also attended the programme. The chapter organized 3 days soft skill & interview technique session for intermediate qualified students held from 5th to 7th July, 2017 at its premises to boost the students about how to face the interview. Mr Manish Dwivedi, a well known soft skill trainer was the resource person during these 3days programme. A seminar on 'Goods & Services Tax- Its impact on Contracts' was held on 8th July, 2017 at its premises. CMA Pravakar Mohanty, Director (Finance), OHPC Ltd and past president of the Institute inaugurated the seminar as chief guest in the presence of Dr. Anil Kumar Swain, Prof & Heads of PG Department of Commerce, Utkal University as guest of honour, CMA Niranjan Swain, Sr. General Manager (Finance), OPGC Ltd as guest speaker, CMA Prafulla Kumar Swain, sr. member of the chapter, CMA Surya Narayan Mishra, chairman & members of the managing committee of the chapter. The chapter conducted a mock interview for intermediate qualified students on 16th July, 2017.

NORTHERN INDIA REGIONAL COUNCIL

The Region organized a 'Practitioner Meet' on April 29, 2017 at CMA Bhawan, New Delhi to discuss and deliberate the way forward in the wake of new opportunities coming up for the CMA Professionals. CMA Sanjay Gupta, vice president of the Institute spoke with regard to great professional opportunities in newer areas of practice i.e. Insolvency and Bankruptcy Code. CMA Ravi Kr. Sahni, chairman NIRC and also being a practicing Cost Accountant, emphasized the need for sharing of experiences with fellow members. Regional

Council Members, CMA S.K. Bhatt and CMA Navneet Kr. Jain and CMA S C Gupta, Director Professional Development, and CMA J K Budhiraja, CEO of IPA of the Institute were also present in the meet and shared their experiences. NIRC and Delhi Head Office of the Institute jointly celebrated the Annual Day of the Institute on May 28, 2017 at CMA Bhawan, Lodhi Road, New Delhi. On this occasion a free health checkup camp was also organized and a team of senior doctors from Apollo Hospitals visited the institute. Dr. Yash Gulati, Padmashree National Awardee, Dr. B C Roy National Awardee & Surgeon to the Hon'ble President of India shared his rich experiences with the participants and guided them to live a healthy life by avoiding stress and pursuing right sitting postures. On June 21, 2017, the Region and Delhi Head Office jointly celebrated International Yoga Day at CMA Bhawan, Lodhi Road New Delhi and the Yoga teacher for the day was CMA J.K. Budhiraja, sr. director of the Institute. On June 24, 2017, the Region organized a 'Practitioner meet' at CMA Bhawan, New Delhi. On July 1, 2017 GST Day was observed at CMA Bhawan, New Delhi.

The Institute of Cost Accountants of India-Jaipur Chapter

On June 21, 2017, the Chapter celebrated International Day of Yoga and yoga exercises were performed by the members and staffs at its premises under the guidance of CMA P.R. Jat, chairman of the chapter. The chapter celebrated the 58th Annual

Day of the Institute on 28th May, 2017. On this occasion, a tree plantation program was organised in which members of the chapter, management committee members and staff took part with great enthusiasm. The Chapter organised two days workshop on GST on 10th and 11th June, 2017 at its premises. On first day of the workshop, key speaker CMA R.K. Khurana, Taxation and Corporate Law Adviser from New Delhi explained in detail about transitional provisions, Job work, Debit/ Credit Notes, Migration, Registration, Returns, Invoice Rules etc. On second day, key speaker CMA Anil Sharma, secretary, NIRC explained in detail about Composition Rules, Services under reverse charges, schedule of GST Rates, Determination of value of supply, E-Way Bill, Refund etc.

The Institute of Cost Accountants of India-Naya Nangal Chapter

The Chapter held the workshop on GST at Cosline India Telecom Pvt. Ltd (Chinese company), Una (Himachal Pradesh). Chairman of the Chapter, CMA Sawinder Singh Chug was the chief guest as well as key speaker on GST. He elaborated on invoicing, return filing, GST Payments & E way Bill. The Chapter opened the helpdesk on GST as per the guidelines of the Institute.

The Institute of Cost Accountants of India-Lucknow Chapter

The Chapter celebrated GST Day at CMA Bhawan on July 1, 2017 and chairman of the chapter, CMA Pawan Kumar Tiwary appealed to all CMA professionals to play an important role with personification in the smooth operation of the defining words of Prime Minister, the 'Goods & Simple Tax'.

SOUTHERN INDIA REGIONAL COUNCIL

The Institute of Cost Accountants of India-Tiruchirapalli Chapter

A PD Programme was held on June 21, 2017 at its premises on the topic 'Yoga for Professionals', to coincide with the International Yoga Day , sponsored by Axis Bank, Tiruchirapalli (Shri Raghunath, Branch Manager). Another PD Programme was held on the same day at its conference hall on the theme 'Investment Planning for Individuals' handled by Shri S Krishnan, Sr. Relationship Manager & Branch Head, Bajaj Capital Ltd., Tiruchirapalli.

The Institute of Cost Accountants of India-Coimbatore Chapter

The Chapter on June 21, 2017 celebrated International Yoga Day and Sri S. Murugadass, Yoga Trainer, presented a lecture cum demo on 'Modern Trends in Yoga'. The chapter conducted a PD program on the topic 'Preparing for GST Roll out' jointly with the Coimbatore Management Association on June 24, 2017.

The Institute of Cost Accountants of India-Cochin Chapter

The Chapter launched a Helpdesk on GST at Cochin on July 10, 2017, for providing more information and assistance on GST to the MSME sector inaugurated by Shri KVP Krishna Kumar, Chairman, Standing Committee for Tax Appeal, Cochin Corporation. This helpdesk will conduct GST awareness programs on all Saturdays at the chapter's premises and this will be opened to the public. The Chapter conducted an awareness and a clarification session on GST, at their Council Hall, on July 17, 2017, attended by the council members and the office staffs. Smt. Soumini Jain, Mayor, Cochin Corporation, welcomed the gatherings and introduced the speakers, CMA (Smt.) Pushpy B. Muricken, chairperson of the chapter and CMA (Shri.) Rakhesh R. Warrier, secretery of the chapter. The Chapter organized seminars on GST on June 9, June 25 and July 1, 2017 and Shri. Sachin Menon, Partner and Head, Indirect Tax, KPMG, Dr MP Sukumaran Nair FIE, Chairman-RIAB, Mr. Sareesh Haridas, Tally Product Specialist, Manvish Info Solutions pvt. Ltd were the speakers of the programme. Three Study Circles were organized on July 15, July 22 and July 29, 2017 to clear the doubts in GST and CMA Padmakumar V K, Practicing Cost Accountant, CMA Rakhesh R Warrier, Practicing Cost Accountant, CMA Sureshkumar K P, Practicing Cost Accountant were the moderators of the programme. On July 24, 2017, a career counselling programme was held on Nirmala College, Muvattupuzha, International Yoga Day was observed on June 21, 2017 conducted by Shri Sanjeev, Yoga Master and a faculty meet had been held on July 22, 2017 at silver jubilee hall of the chapter. Sessions were inaugurated on May 10, June 28, and July 26, 2017 at its Center for Excellence, CMA Bhawan.

The Institute of Cost Accountants of India-Trivandrum Chapter

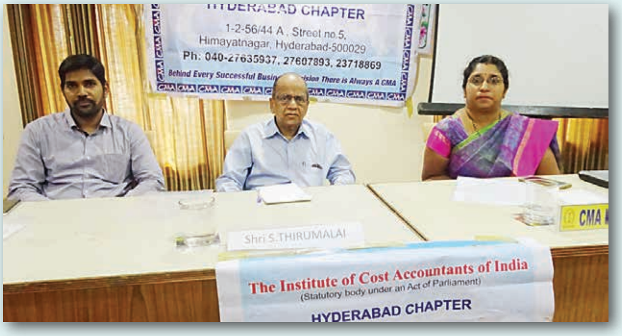
The Chapter organized a two days programme on 'Goods & Services Tax – One Nation One Tax – A New Regime' on June 14 and 15, 2017 chaired by chairman of the chapter, CMA Manoharan Nair G S and inaugurated by CMA Sri. N P Sukumaran, Past President of the Institute. Speakers of the programme were CMA Dr. Sailendra Saxena and CMA Padmakumar V K and secretary of the chapter, CMA Hari Prasad R expressed vote of thanks. The Chapter conducted a half day professional development programme on July 16, 2017



on GST at the CMA Hall handled by CMA Padmakumar V K and the focus was on analysis of problems faced by all stake holders in the post implementation scenario of GST. The Chapter celebrated International Yoga Day on June 21, 2017. The Yogasana session was handled by CMA Pramode Chandran P G, an International Yoga Teacher. The programme was attended by members and students who got benefitted from the session.

The Institute of Cost Accountants of India-Hyderabad Chapter

On June 12, 2017 the Chapter organized a programme on 'Impact Assessment & Transitional Provisions – GST' conducted at CMA Bhavan. CA Gaurav Shah, Practising Chartered Accountant, Partner, Gaurav Shah & Co discussed the transitional provisions of sections 139 to 144 in the CGST Act with adequate examples wherever needed. On June 17, 2017 a programme on "Insolvency and Bankruptcy Code – Exam Perspective" was held at Hyderabad Center of Excellence and CA Bhagwandas Tiwari, Assistant General Manager, ICICI Bank, the guest of honour addressed the members about how banks have a role in helping the insolvent companies. CA B. Nagabhushan, Practising Chartered Accountant, has given a quick overview of the Insolvency & Bankruptcy Code and CA Sekkizhar Balasubramanian, Director; Deloitte



gave tips to the preparation of the exam and how the code has to be read with the rules and other aspects of the Companies Act. On June 20, 2017 a programme on 'Overview and Compliance Procedures – GST' was held at Industrial Estate of Mallapur, Nacharam for the industry representatives. CA S. Thirumalai, Advocate,

Hyderabad, Sri Mohd Irshad Ahmed, Partner, MIA & Associates, Chartered Accountants, IR Trainer-National Academy of Customs, Central Excise and Norcotics, Hyderabad Region were the speakers of the programme. On June 21, 2017 a programme on "Place of Supply - GST" conducted at CMA Bhavan, Himaythnagar, Hyderabad was organized by the chapter and CMA V. Sudha Rani, Senior Manager, Hiregange & Associates, Chartered Accountants, the speaker focused on the 'Place of Supply' rules and provisions of the GST Acts. On June 23, 2017, a programme on

'Overview and Compliance Procedures – GST' was held at Industrial Association, Gandhinagar for the industry representatives. CS CA P.K. Singh, Practising Company Secretary, PKS & Associates, Rajendra Nagar, Hyderabad was the speaker and he elaborated on the concepts of job work, registration, returns and migration. On 24th June 2017, a programme on 'Overview and Compliance Procedures – GST' was held at Telangana State Renewal Energy Development Co-operation

Ltd near Railway Station, Nampally for the industry representatives. CA Gaurav Shah, Practising Chartered Accountant, Gaurav Shah & Co was the speaker of the programme. On June 2, 2017 a joint workshop with ICSI-Hyderabad Chapter on 'Corporate Resolution Process' was organized and addressed by CS Dr Navrang Saini, whole time Member, Registration and Monitoring Wing Insolvency and Bankruptcy Board of India(IBBI). CS R. Ramakrishna Gupta, Vice Chairman & Treasurer, ICSI-SIRC and CA Devendra D Jain, Insolvency Professional were the speakers of the workshop. On

June 3, 2017, all Past Chairmen meet was held at CMA Bhavan, Himayatnagar, on 05th June 2017, CMA K.V.N. Lavanya, vice chairperson along with CMA P. Chandra Sekhara Reddy, Member and CMA M.P.S. Arun Kumar, Deputy Director, Advance Studies met with Sri N. Krishnamoorty, Registrar of Companies, Telangana & A.P. On 08th June 2017, CMA Dr P.V.S. Jagan Mohan

Rao, council member of the Institute along with CMA P. Chandra Sekhara Reddy, Member and CMA M.P.S. Arun Kumar, Deputy Director, Advance Studies met with Sri Bandaru Dattatreya, Minister of Labour and Employment. On 09th June 2017, CMA Dr P.V.S. Jagan Mohan Rao, council member, along with CMA D. Surya Pradasam, chairman of the chapter, CMA P. Chandra Sekhara Reddy, Member and CMA M.P.S. Arun Kumar, Deputy Director, Advance Studies met with Sri K.V. Ramanachary, IAS (Retd.), Advisor-Culture, Tourism, Endowments, Youth and Media Affairs, Telangana Govt. On 15th June 2017, CMA Dr P.V.S. Jagan Mohan Rao, Council Member along with CMA Dr R. Chandra Sekhar, Secretary, CMA P. Chandra Sekhara Reddy, Member and CMA M.P.S. Arun Kumar, Deputy Director, Advance Studies met with Sri A.P Jitender Reddy, MP from Mahbubnagar and on 21st June 2017, as per the direction of HQ, the chapter celebrated the Yoga Day at CMA Bhavan, Himayatnagar, Hyderabad. This session was handled by Ms. G. Shakuntala Jain, Trainer from Isha Foundation. The programme was conducted for members and students for the benefit of health, to remove stress, to get success and to function efficiently in personal life and professional life etc.

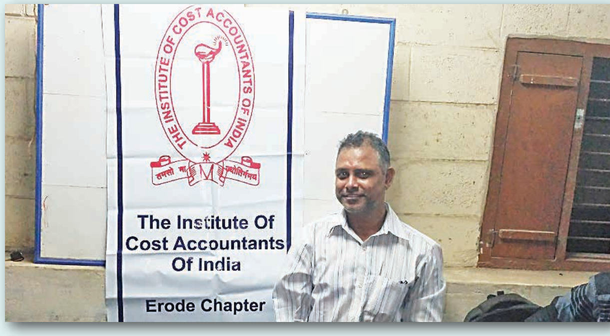
The Institute of Cost Accountants of India-Visakhapatnam Chapter

The Chapter organized a professional development programme on ‘Goods & Services Tax Act 2017’ on July 15, 2017 at the CMA Bhawan. Speaker, CMA K.N Hari Hara Prasad, Deputy Director (Cost) Office of Central GST Audit explained the whole GST Regime. CMA F.A Cooper, Superintendant Central GST, the speaker explained the complete features of Constitution Amendments Act and Mr G Parabhakara Sastry

explained about the Composition Scheme and also discussed on Reverse Charge Mechanism.

On July 20, 2017, the Chapter and Hindustan Shipyard Private Limited jointly organized a programme on ‘Goods & Services Tax Act 2017’ at Hindustan Shipyard Ltd and CMA K.N Hari Hara Prasad, Deputy Director (Cost) Office of Central GST Audit, the speaker explained the translational provisions with the help of PPT to shift from VAT Regime to GST Regime smoothly.

The Institute of Cost Accountants of India-Erode Chapter



The Chapter conducted a GST seminar on 1st July 2017 titled 'Migration to GST'. CMA Prabakaran, faculty, explained each and every steps of migration to GST. A help desk had also been created to guide this GST.

WESTERN INDIA REGIONAL COUNCIL

The Institute of Cost Accountants of India-Surat South Gujarat Chapter

The Chapter organized an intensive workshop on GST starting from 17th June 2017 till July 9, 2017 at its office on overview of GST and its impact on works contractor etc. Inauguration of the programme was on 17th June 2017 and all the sessions were very informative and interactive. The programme concluded on 9th July, 2017 conducted by CMA V. S. Datey with relevant case studies etc.

The Institute of Cost Accountants of India- Pimpri Chinchwad Akurdi Chapter

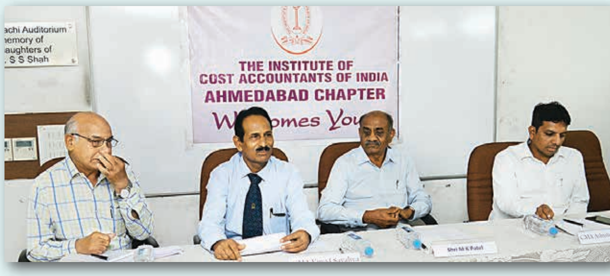
The Chapter celebrated 'GST Day' on 1st July 2017 and on this occasion, CMA L D Pawar, RCM & secretary, WIRC and eminent speaker on GST guided the audience. He focused on various aspects on GST implemented by the Government. The Chapter celebrated 3rd International Yoga Day on June 21, 2017 by conducting session on the topic 'How to lead a Healthy Lifestyle through Yoga' at Pimpri-Chinchwad Municipal Corporation's Deubai Kapse Udhyan, Ajmera Road, Pimpri. Yoga Guru, Ms. Dhanashri Mulay, renowned yoga expert from Yog Vidyapeeth, Nasik conducted the

session and had explained the importance of Yoga in daily life and how it can be useful for all to reduce stress.

The Institute of Cost Accountants of India-Ahmedabad Chapter

On June 17, 2017 the Chapter organized a CEP Program on 'GST – Transition provisions and practical issues' and CA Pravin Maheshwari and CA Jay R Dalwadi, faculties as well as the speakers highlighted the subject and discussed GST Returns under GST Act. On June 27, 2017 the chapter felicitated the students who completed foundation, intermediate and final examination of the Institute held in December 2016. Chief Guest of the function was CA M K Patel, Managing Director of Zydus Technology who expressed his view for development of CMA career and advised students to have wider prospect in mind to expand horizon of scope instead of only cost or financial accounting. CMA P D Modh, chairman of oral

coaching explained the needs of changing habits of study and assurance of all facilities to the students. The chapter celebrated International Yoga Day jointly with Ahmedabad branch of the Institute of Chartered Accountants of India and the Company Secretary of India at Shivanand Asharam, Chidanandam Yoga Hall, Satellite, Ahmedabad on 21st June 2017. Miss Sangeeta Thawani, international



yoga trainer explained about the concept and the benefit of yoga. The chapter organized its campus placement for December 2016 final pass CMAs on May 19, 2017 at its office. GD and personal interviews were conducted by Shri Sujit Singh, Zonal Head-Finance and Shri Ashish Topno, Zonal Head-HR and Ms. Reetika Rathore (HR).

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