

# THE MANAGEMENT ACCOUNTANT

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# IFSC:

**EMERGING AS A  
DOMINANT GATEWAY FOR  
INDIA'S FINANCIAL SECTOR**



*Journal of*

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

(Statutory Body under an Act of Parliament)

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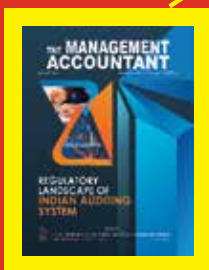
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# ICMAI

## The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

[www.icmai.in](http://www.icmai.in)



- **THE INSTITUTE OF COST ACCOUNTANTS OF INDIA** (erstwhile The Institute of Cost and Works Accountants of India) was established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.
- On 28 May 1959, the Institute was established by a special Act of Parliament, namely, the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of Cost & 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 recognized statutory professional organisation and licensing body in India specialising exclusively in Cost & Management Accountancy.

### VISION STATEMENT

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

### MISSION STATEMENT

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

### Institute Motto

असतोमा सद्गमय  
तमसोमा ज्योतिर्गमय  
मृत्योर्मांमृतं गमय  
ॐ शान्ति शान्ति शान्तिः

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

### 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



### Headquarters:

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### Kolkata Office:

CMA Bhawan, 12, Sudder Street, Kolkata - 700016

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

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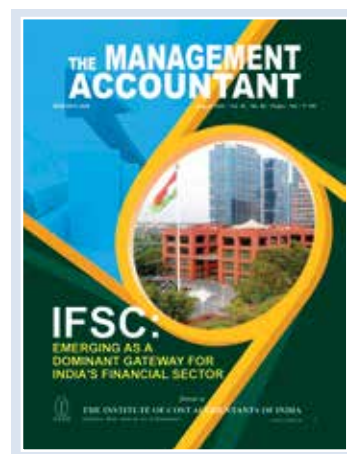
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## *Our New President*

### **CMA TCA Srinivasa Prasad**

has been elected as President of the Institute for the Council Year 2025-2026

**CMA TCA Srinivasa Prasad** is a Fellow Member of ICAI. He has experience of more than 40 years in the areas of Finance, Cost, Management, ERP, IT, HR, IED, O&M, MM, CSR. He was the Executive Director (Finance & ERP Implementation) earlier. He has implemented ERP in 4 major Steel Plants of SAIL and the Central Marketing Organization of SAIL. He implemented ERP at NMDC in the capacity of Advisor (ERP), NMDC. He was the Council Member of ICAI for the term 2011-15 and has been re-elected for the 2023-27 term. He has been the Vice President of ICAI for the Council Year 2024-25.



## *Our New Vice President*

### **CMA Neeraj Dhananjay Joshi**

has been elected as Vice President of the Institute for the Council Year 2025-2026

**CMA Neeraj Dhananjay Joshi** is a seasoned professional with over two decades of experience in Cost and Management Accounting. A Fellow Member of ICMAI, he secured All-India 17th Rank in ICMAI Foundation Examination and was the 2nd Rank holder in the MBA Examination of the University of Pune. His academic pursuits include prestigious global certifications such as Certified SAP FI/CO Consultant (SAP AG, Germany), CISA (ISACA, USA), Microsoft Certified Professional, and a diploma from NIIT. Professionally, he is a practicing CMA and Partner at Dhananjay V. Joshi & Associates, and also the Promoter Director of Levaré Info Solutions Pvt. Ltd., an ERP consulting and systems audit firm. He has held key positions at CMC Ltd. and Siemens Information Systems Ltd., leading critical SAP projects across national and international platforms. He has served as Council Member of ICMAI for the term 2019–23 and has been re-elected for the term 2023–27.

# From the EDITOR'S DESK

As India strengthens its position in the global financial arena, the International Financial Services Centre (IFSC) at GIFT City is fast becoming a game-changer. With its objective of bringing offshore financial services onshore, the IFSC offers a globally competitive regulatory environment, attractive tax incentives, and streamlined business processes. These features are drawing international investors, institutions, and fintech innovators, making it a critical bridge between India's domestic financial ecosystem and global markets.

The IFSC supports a wide range of cross-border activities including fund management, insurance, capital markets, and fintech services—within a robust legal and operational framework. Its evolution reflects the government's strategic ambition to establish India as a global financial services hub.

Amid shifting global dynamics and a renewed focus on resilient economies, India's IFSC is poised not just to function as a financial centre but to serve as a dynamic gateway to global financial integration. It is helping to drive innovation, support sustainable finance, and contribute to India's aspirations of becoming an economic powerhouse under the vision of **Viksit Bharat @ 2047**.

**Inside This August 2025 Issue**

This issue features **eight**

**in-depth articles** exploring the theme of India's IFSC and its growing significance:

- ⊙ *IFSCA's Complaint Handling Mechanism: Ensuring Trust in the Financial Services Market in GIFT IFSC*  
This article delves into IFSCA's regulations on complaint resolution and highlights the vital role of consumer protection in building investor's confidence and trust, crucial for attracting foreign capital.
- ⊙ *IFSCA - A Pillar for Atmanirbhar Bharat* is an effort to highlight the crucial role played by the International Financial Services Centres Authority (IFSCA) in advancing India's financial services sector and contributing to the realization of the Atmanirbhar Bharat vision.
- ⊙ *IFSC as a Catalyst: Driving India's Green Finance Transition Toward Viksit Bharat 2047*  
An insightful analysis of IFSC's role in promoting sustainable development through green finance, ESG integration, and innovative financial instruments.
- ⊙ *IFSCA and Transition Financing – A New Sunrise for CMAs*  
Focuses on the emerging concept of transition

bonds within the ESG spectrum and emphasizes the expanding role of CMA professionals in this evolving space.

- ⊙ *GIFT City IFSC and its Role in Transforming Corporate Treasury Operations*  
Highlights how GIFT City facilitates the setup and efficient functioning of Global/Regional Corporate Treasury Centres (G/RCTCs), supported by tax benefits and regulatory clarity.
- ⊙ *IFSC as India's Financial Gateway: Functions, Impact, and Future Outlook*  
Offers a comprehensive overview of IFSC's role in attracting international capital, boosting fintech innovation, and deepening India's global financial linkages.
- ⊙ *The GIC Gold Rush: A Strategic Cost Management Analysis of Establishing Global In-House Centres in IFSC*  
A strategic review of the cost and regulatory advantages for firms establishing Global In-House Centres in GIFT City's IFSC.
- ⊙ *Strategic Role of IFSC in Reshaping India's Global Financial Footprint*  
Explores how the IFSC is redefining India's position in the global financial system, paving the way for sustained growth, collaboration, and leadership

In addition to these thematic articles, this issue also features expert contributions on current topics of interest to management accountants, finance professionals, and policymakers.

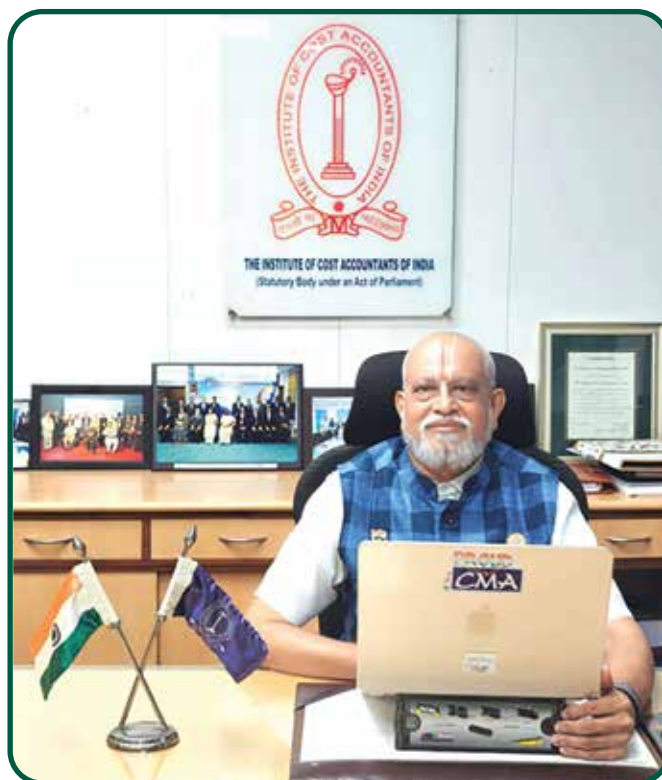
We are honored to present an **exclusive interview with CMA Saurav Mitra**, Director (Finance) and Chief Financial Officer of Petronet LNG Limited, New Delhi, offering valuable insights from a senior industry leader.

As we celebrate **Independence Day**, let us honor and remember the courage and sacrifices of our freedom fighters, whose legacy inspires our continued progress.

We thank all our contributors for their scholarly efforts and invite readers to share feedback at [editor@icmai.in](mailto:editor@icmai.in).

**Happy Reading!**

# President's Communiqué



## CMA TCA Srinivasa Prasad

President

The Institute of Cost Accountants of India

*"You are what you believe in. You become that which you believe you can become."*

**-- Lord Krishna**

My Dear Professional Colleagues,

Namaskaar!

**W**ith deep humility and a profound sense of responsibility, it is an honour to assume the role of the 68<sup>th</sup> President of the Institute of

Cost Accountants of India (ICMAI) for the Council Year 2025–26. The trust and confidence placed by the esteemed Council Members in electing me to this position are acknowledged with sincere gratitude. ICMAI, the world's largest professional body of Cost and Management Accountants, continues to be a beacon of excellence, and it is a privilege to lead this prestigious institution at this pivotal juncture.

Heartiest congratulations are extended to CMA Neeraj D. Joshi on being elected as Vice President of the Institute. His rich experience, dedicated

service to the profession, and thoughtful leadership will be instrumental in driving forward our shared mission during this term. We look forward to working closely in achieving the Institute's strategic goals.

Deep gratitude is expressed to CMA Bibhuti Bhusan Nayak, Immediate Former President and CMA Ashwin G. Dalwadi, Former President, for their dynamic leadership and noteworthy contributions to the Institute. Their initiatives have laid a strong foundation, and it shall be our endeavour to carry forward and build upon the programs and reforms undertaken under their stewardship.

Heartfelt gratitude is also extended to all Former Presidents and senior members of the profession whose visionary leadership and tireless efforts have shaped the Institute into a pillar of professional excellence and national service.

Commencing the term on a constructive note, a delegation comprising CMA Neeraj D. Joshi, Vice President, CMA Manoj Kumar Anand, Council Member and CMA (Dr.) D.P. Nandy, Secretary (Officiating), ICAI, led by undersigned, had the privilege of calling on Ms. Deepti Gaur Mukerjee, IAS, Secretary, Ministry of Corporate Affairs, Government of India, on 23<sup>rd</sup> July 2025. We discussed key matters relating to the Institute and the Cost and Management Accounting profession. On the same day, we also had a fruitful meeting with Shri Inder Deep Singh Dhariwal and Shri Balamurugan D., Joint Secretaries, Ministry of Corporate Affairs, further strengthening our relationship with the Government and its initiatives.

The journey ahead calls for collective commitment and collaborative action. The world is witnessing transformational shifts driven by technology, sustainability imperatives, and new governance paradigms. In this dynamic context, Cost and Management Accountants (CMAs) are uniquely

positioned to lead with insight, innovation, and integrity.

As India strides towards the vision of *Viksit Bharat @ 2047*, the role of CMAs is becoming increasingly vital in ensuring transparency, cost competitiveness, strategic decision-making, and sustainable development across sectors. CMAs must continue to play a transformative role in nation-building, business strategy, governance, and value creation.

With collective wisdom, shared purpose, and unwavering resolve, we are confident that we will rise to the occasion and transform every challenge into a new milestone for the profession and the nation.

Let us move ahead with renewed zeal and a shared vision to shape the role of CMAs in realizing the aspirations of a *Viksit Bharat @ 2047*. Together, we can achieve excellence. Together, we shall make a difference.

Continued blessings, cooperation and support from all members and stakeholders shall remain invaluable in this journey ahead.

Jai Hind!

With warm regards,

**CMA TCA Srinivasa Prasad**

1<sup>st</sup> August 2025

# BRIEF SUMMARY OF THE ACTIVITIES OF VARIOUS DEPARTMENTS/ COMMITTEES/ BOARDS OF THE INSTITUTE DURING THE MONTH OF JULY 2025

## AGRICULTURAL COST MANAGEMENT BOARD

The Institute is taking initiatives to formulate the pricing of certain agricultural products through the Agricultural Cost Management Board (ACMB). In this regard, the Board has taken meaningful initiative to develop a pricing model for Tomato, Onion, and Potato (TOP) prices. This model is composed to provide strategic insights for policy formulation and may help the Ministry of Agriculture and Farmers' Welfare. A Task Force has been constituted, comprising eminent academicians, researchers and cost accountants, to carry this initiative forward. This milestone underscores our Institute's continued commitment to national development through cost excellence.

## BANKING, FINANCIAL SERVICES AND INSURANCE BOARD

The Banking, Financial Services & Insurance Board continued its various activities and initiatives in July 2025, a synopsis of which is presented herein under:

### A. BANKING MONTH

The Board celebrated Banking Month during the month of July 2025 through a series of insightful webinars, professional development initiatives, and knowledge dissemination activities aimed at enhancing the role of CMAs in the BFSI sector.

#### ◎ Webinar on Role of CMAs in Banking Sector:

The Board organized the 1<sup>st</sup> Webinar on the Banking Month on 17<sup>th</sup> July 2025. CMA Uday Sankar Majumder, Chief Risk Officer & CGM, Canara Bank was the Speaker.

#### ◎ Webinar on Role of CMAs in Credit Appraisal of Banks:

The Board organized the 2<sup>nd</sup> Webinar on the Banking Month on 19<sup>th</sup> July 2025. CMA Gopal Singh Gusain, Non-Executive Chairman, Nainital Bank was the Speaker.

#### ◎ Webinar on Safe Banking in the Digital Age: Protecting Customers from Cyber Threats:

The Board organized the 3<sup>rd</sup> Webinar on the Banking Month on 20<sup>th</sup> July 2025. Shri NDSV Nageswara Rao, Chief General Manager (OPR), State Bank of India was the Speaker.

### B. OTHER WEBINARS

Webinar on Navigate Risks, Seize Opportunities—Identify, Improve, Influence!

The Board has organized the Webinar on 4<sup>th</sup> July 2025. Shri Swakshar Basu, FCPA and RIMS-CRMP, Associate Vice President at Revantage Asia Pacific, A Blackstone Company is the Speaker.

Webinar on Application of Big Data Analytics and Cloud Computing in Fintech Industry:

The Board has organized another Webinar on 31<sup>st</sup> July 2025. CMA Sutapa Ray, SAP certified Senior FICO Consultant was the Speaker.

### C. CERTIFICATE COURSES OF BFSI

The admission for the 10<sup>th</sup> batch of the Certificate Course of Treasury, 12<sup>th</sup> batch of the Certificate Course on Credit Management in Banks and 12<sup>th</sup> batch of the Certificate Course on Concurrent Audit in Banks is currently going on along with 3<sup>rd</sup> batch of the Advance Certificate Course on Fintech.

The admission window for the above courses is stated as follows:

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

### D. LAUNCH OF 21<sup>st</sup> BFSI CHRONICLE

The 21<sup>st</sup> BFSI Chronicle was launched on 17<sup>th</sup> July 2025 by CMA Uday Sankar Majumder, Chief Risk Officer & CGM, Canara Bank in the 1<sup>st</sup> Webinar of the Banking Month.

### E. RELEASE OF THE AIDE MEMOIRE ON INFRASTRUCTURE FINANCING (3<sup>rd</sup> REVISED AND ENLARGED EDITION)

The Aide Memoire on Infrastructure Financing (3<sup>rd</sup> revised and enlarged edition) was released on 22<sup>nd</sup> July 2025 during the Meeting of the Council of the Institute. The printed copy for sale would be soon launched by the Department and available for online sale.

## CAREER COUNSELLING AND PLACEMENT

The Directorate of Career Counselling and Placement organised the Campus Placement Drive Phase -II for Qualified CMAs of December 2024 Term during the month of July 2025.

Number of jobs offered at the CMA Campus Placement Programme during the month of July 2025:	
Company Name	No. of Candidates Selected
Accenture	12
Bequip Advisory, Cochin	2
Chobe Business Solutions private Ltd.	3
Conduent Business Services India LLP, Cochin	10
Grant Thornton India	14
Mayur Batra Group Corporate Services	4
Nash Capital Partners	1
Total	46

### CAT DIRECTORATE

#### ◎ Result of CAT Course Part - I Examination – June 2025 term:

The result of the CAT Course (Part-I) Examination, June 2025 term was declared on 11<sup>th</sup> July 2025 by the CAT Directorate. Warm congratulations to all the students who have successfully cleared the examination. This milestone not only reflects their hard work and perseverance but also opens the door for direct admission into the Intermediate Course of the Institute.

The Institute encourages all successful candidates to take the next step forward and enroll in the CMA Course, one of the most respected professional qualifications in the field of accounting and finance. It is a journey that promises to be enriching and empowering, shaping a strong foundation for their professional future.

#### ◎ CAT Course in partnership with Directorate General Resettlement (DGR), Ministry of Defence, Government of India:

The Institute is pleased to inform that the CAT Directorate, has been conducting the CAT course for armed personnel for the last couple of years. The mandate to conduct the CAT course for 1300 candidates in FY 2025-26, a significant increase from just 250 candidates in FY 2023-24, is a testament to its success, popularity, and the trust shown by the Ministry of Defence in us.

This growth clearly shows ICMAI's strong commitment to helping our armed forces through quality education. It highlights the institution's dedication to national service and its ability to provide effective programs. The increasing reach of the CAT course reflects the great work and leadership within ICMAI.

The Institute is glad to share that two more batches commenced in Ahmedabad and Hyderabad on 21<sup>st</sup> July 2025. The inauguration of the Ahmedabad batch took place on 24<sup>th</sup> July 2025, graced by Cdr Rahil Rai (Jt. Dir, DRZ South, DGR), CMA Mitesh Prajapati, Chairman, Ahmedabad Chapter, and MC members of the Ahmedabad Chapter. The Hyderabad batch inauguration also took place on 25<sup>th</sup> July 2025, graced by Lt Col Anand Singh, CMA (Dr.) K Ch A V S N Murthy, Council Member, CMA Khaja Jalal Uddin, Chairman, Hyderabad Chapter, and other MC members of the Hyderabad Chapter.

#### ◎ Career Counselling Month:

The Institute is pleased to share a vital initiative from the CAT Directorate: the observance of 15<sup>th</sup> July to 14<sup>th</sup> August 2025, as CAT Career Counselling Month. This dedicated period is a crucial step towards fulfilling our commitment to reach the 'unreached sections' of our country, significantly expanding the impact and accessibility of our esteemed CAT Course. Our goal is to empower countless aspiring professionals by providing comprehensive career counselling that helps them identify suitable career paths and understand how the CAT Course Certificate can truly shape their professional future.

To ensure the resounding success of this ambitious initiative, the Institute is calling upon all its Regional Offices, Chapters & CAT ROCCs

for their active and dedicated participation. You are urged to establish dedicated Career Counselling Cells within your offices and organize impactful career awareness programs across schools, colleges, institutes, and universities. Your teams should engage students through seminars, webinars on skill development, and interactive sessions, clearly demonstrating the professional advantages of the CAT Certificate. With your committed involvement, the Institute is confident that this ‘CAT Career Counselling Month’ will be a resounding success, fostering a new generation of skilled professionals for the nation.

### COOPERATIVE DEVELOPMENT BOARD

As the UN General Assembly has declared the Year 2025 as the “International Year of Cooperatives (IYC-2025)”; the Board observed the month of July as the “Month of Cooperatives” and took initiatives to involve all Regional Councils and Chapters of the Institute to undertake meaningful activities for the observance for PAN India celebrations.

There has been a good response to the same as we see many Chapters participating in the celebrations in different manner. Worth a special applause is the initiative of the Agra-Mathura Chapter along with the Meerut Chapter, that in association with the CDB and 17 other Chapters of the Institute organized a Mega Webinar on the topic, “Aatmanirbhar Cooperatives for Viksit Bharat” on 12<sup>th</sup> July 2025. CMA (Dr.) A Mayil Murugan, Former Chairman, SIRC-ICMAI, and CMA (Dr.) Nirmal Kumar Bhattacharya, Senior Consultant, National Power Training Institute (NPTI) were the resource persons for the above-mentioned Mega Webinar that was well appreciated by the participants including persons from the Cooperative Sector.

Also, as a special observance, the Journal Department of the Institute released ‘Management Accountant’ for the month of July 2025 as a special issue featuring the Cooperative Sector, with the theme “Co-operatives – Driving Force of the Indian Economy.”

### DIRECTORATE OF STUDIES

- ⊙ Addendum to Paper 15 (Direct Tax Laws and International Taxation) on Tax Audit has been uploaded by the DOS on our Website.

- ⊙ CMA Students E-bulletin is to be uploaded on our website shortly
- ⊙ MQP Set 1 for the Foundation Level for December 2025 term of Examination is to be uploaded on our website shortly
- ⊙ The National Accreditation Policy of the Institute has been introduced by the Directorate of Studies
- ⊙ Online skill training session (MS Office, E filing and Tally) started from 9<sup>th</sup> July 2025 conducted by various faculty.
- ⊙ Details of students who have completed NPTEL and MS Office and E-Filing from the Chapters are now reflected in the SMS.
- ⊙ SAP Skills Training Sessions in physical mode for June 2025 Term started from 28<sup>th</sup> July 2025. Three (3) Regional Councils i.e. SIRC, EIRC and NIRC and Six (6) Chapters i.e. Bhubaneshwar, Vijayawada, Jaipur, Bengaluru, Pune and Vadodara have been conducting the same.
- ⊙ Skill training assessments for students of old batches re-started from 2<sup>nd</sup> July 2025 for the benefit of the students.

### MEMBERSHIP DEPARTMENT

The Institute extends heartfelt congratulations and a warm welcome to all the new 163 Associate Members and those 51 esteemed members who have been elevated to Fellowship during the month of July 2025. Your achievement marks a significant milestone in your professional journey, and the Institute is proud to have you as part of our growing CMA fraternity.

At this juncture, the Institute would also like to gently remind members who have yet to pay their membership fees for the financial year 2025–26 that the dues became payable on 1<sup>st</sup> April 2025. The last date for payment is 30<sup>th</sup> September 2025. Timely payment of membership fees ensures uninterrupted access to the many benefits and services offered by the Institute. To avoid last-minute rush and to continue enjoying the privileges of membership, all members are urged to pay their dues at the earliest. Payments can conveniently be made through the Members’ Online System by logging in at:

<https://eicmai.in/mms/PublicPages/UserRegistration/Login-WP.aspx/>

Practicing members who were unable to renew their Certificate of Practice (CoP) for the financial year 2025–26 by the stipulated (specified) deadline of 30th June 2025, due to any reason, are hereby informed that they may now restore their CoP until the end of the current financial year, provided the other required conditions for CoP renewal are fulfilled.

Such members may complete the renewal process by paying the applicable CoP restoration charges, in addition to the regular renewal fee, through the Members' Online System. The facility is available via the following link:

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

### **PROFESSIONAL DEVELOPMENT & CONTINUOUS PROFESSIONAL EDUCATION (PD & CPE) COMMITTEE**

To ensure smooth continuity of practice of CoP holders during the year 2025-26, the Council has decided to grant further extension of time upto 30th September 2025 to complete the shortfall for CPE Credit Hours requirement for the year 2024-25. The non-compliance, if any will be seriously viewed and may lead to discontinuation of CoP. Please refer to the Notice dated 4th July, 2025: [https://icmai.in/upload/CPE/CPE\\_Credit\\_Hrs\\_Extn\\_0407\\_2025.pdf](https://icmai.in/upload/CPE/CPE_Credit_Hrs_Extn_0407_2025.pdf)

Please note that the 14<sup>th</sup> Batch of Online Mandatory Capacity Building Training (e-MCBT) for CoP holders is going to commence from 7th August 2025. The Institute looks forward to your active participation. For details, refer to the MCBT Portal <https://eicmai.in/MCBT/Home.aspx>

The Institute is pleased to inform that the District Co-operative Central Bank Limited - Mahabubnagar has considered Cost Accountant firms for conducting Concurrent Audit.

Please visit the PD Portal for Tenders/EOIs during the month of July 2025 where services of the Cost Accountants are required in organizations such as, Iacon International Limited (IRCON), Thiruvananthapuram Regional Co-operative Milk Producers' Union Limited, Asansol Municipal Corporation, Rajasthan State Mines and Minerals Limited, The Jammu & Kashmir

Bank Ltd., Gujarat State Handicrafts Development Corporation Limited, Maharashtra State Electricity Transmission Company Limited, Nagar Palika Parishad – Chakradharpur, Uttar Pradesh Power Transmission Corporation Limited, Assam Petrochemicals Limited, Pr. Commissioner, CGST & Central Excise, Guwahati, Airports Authority of India, Jaipur, Food Corporation of India, Raipur, The National Highway Authority of India, Intelligent Communication Systems India Limited, Garden Reach Shipbuilders & Engineers Ltd., Commissioner, CGST & C. Ex., Dibrugarh, Central, Karnataka Industrial Areas Development Board, Bengal Gas Company Limited, Intelligent Communications Systems India Ltd., Purvanchal Vidyut Vitran Nigam Limited, Commissioner, CGST & C. Ex., Jammu, Central Board of Indirect Taxes and Customs, M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd, Pension Fund Regulatory and Development Authority, etc.,

In the continued Webinar Series, a discussion with the practitioners by the PD & CPE Committee, the 19th Webinar was conducted on “Value Creation & Operational Efficiency by Finance Professionals” on 2<sup>nd</sup> July 2025 wherein CMA Rajesh Kumar Dwivedi, Director (Finance), BHEL presented his perspective in the interest of CMAs.

Professional Development & CPE Committee in association with PHD Chamber of Commerce and Industry conducted seminars on the topic “IEPF, Corporate Exits & Investors Protection-Awareness, Key Compliances and Challenges” and “Legal & Practical Insights on Search, Seizure & Arrest and Offences & Penalties Under Indirect Tax” on 18<sup>th</sup> July 2025 and 8<sup>th</sup> July 2025 respectively at PHD House, New Delhi.

During the month of July, around 85 programmes in Physical mode and 50 programmes in online mode were organised by the different Committees, Regional Councils and Chapters of the Institute on various topics such as, Decoding new Annual filing regime on MCA-V3, Corporate Social Responsibility Section 135 of The Companies Act 2013, Recent updates in GST, Discussion and contribute to the growth and strength of our professional community, NBFC Compliances and Recent Amendment, Workshop on AI Tools for

Finance Professionals, A Comprehensive Discussion on Cost Audit, Project Finance Simplified: CMA Reports, Appraisals, and Bank Expectations, Role of CMAs - In quality and Administrative Audit for Higher Educational Institution, Social Stock Exchange & Emerging Professional Opportunities and so on.

### **SUSTAINABILITY STANDARDS BOARD**

The Board organized the 36<sup>th</sup> Webinar of the Vasudhaiva Kutumbakam series on 25<sup>th</sup> July 2025 on the topic “Electric vehicles and battery life cycle-a story of circular economy”. Shri Vijay Ghadge, Retired Deputy Chief Environment Engineer, Gujarat Pollution Control Board was the speaker.

The 37<sup>th</sup> Webinar of the Vasudhaiva Kutumbakam series was held on 28<sup>th</sup> July 2025 on the topic “Social Stock Exchange- Understanding the regulations from Practitioner’s perspective”. Shri G. Vasudevan, Insolvency Professional and Registered Valuer was the speaker.

The Sustainability Standards Board released Volume XXIV which is the July 2025 edition of the monthly newsletter Sukhinobhavantu.

The Download link: [https://icmai.in/upload/Institute/Updates/SSB\\_July\\_2025.pdf](https://icmai.in/upload/Institute/Updates/SSB_July_2025.pdf).

### **TAX RESEARCH DEPARTMENT**

- ⊙ To mark the observance of the GST Day the TRD conducted of a webinar on 1<sup>st</sup> July 2025 on the theme “GST @ 8: Strengthening Economic Unity, Powering Growth”. The speakers for the session were CMA Niranjan Swain, CMA Rahul A Chincholkar and CMA Anil Sharma. CMA B M Gupta was the moderator of the webint.
- ⊙ TRD conducted a physical Capacity Building Program on Inventory Valuation on 18<sup>th</sup> July 2025 in JN Bose Auditorium, Kolkata. Shri Ashok Kumar Saroha, IRS, Director General of Income Tax (Inv.), West Bengal, Sikkim & NER graced the event as Chief Guest. A delegation of 6 other senior departmental officials also accompanied him to the event for gathering knowledge on the concept of

Inventory Valuation. The speakers of the event were CMA (Dr.) SK Gupta and CMA Rakesh Sinha.

- ⊙ The TRD conducted a webinar on 4<sup>th</sup> July 2025 on the topic, “International Taxation – Introduction’ with the resource person for the session was CMA Harish Joshi, Cost Accountant.
- ⊙ TRD organized another webinar on 9<sup>th</sup> July 2025 on the topic “Handling Tax Audit” by CMA Ajith Sivasdas, Cost Accountant.
- ⊙ Another webinar was conducted on 11<sup>th</sup> July 2025 on the topic, “How to handle time barred cases in Service Tax before Appellate Authority” faculty for the session was CMA Niranjan Swain, Advocate & Tax Practitioner.
- ⊙ 3<sup>rd</sup> batch of the GST Course for College and University students is being organized at Scottish Church College, Kolkata.
- ⊙ Classes for the other Taxation Courses are also going on.

### **ICMAI REGISTERED VALUERS ORGANIZATION (RVO)**

ICMAI RVO has successfully organised a “50-Hours Training Program” for securities or financial assets, one for land and building assets, and also organised 11 “Professional Development Programs” during the month of July 2025. In its efforts to bring out relevant publications for the development of the valuation profession, ICAI RVO also released its monthly journal, ‘The Valuation Professional’.

### **ICMAI SOCIAL AUDITORS ORGANIZATION (SAO)**

ICMAI SAO organized Social Stock Exchange awareness programs at Jaipur, Dehradun and Bhubaneswar during the month of June and July 2025. ICAI SAO also organized two online PD programs, Integrating Sustainability with Tech: Data-Driven Approaches to Sustainability Reporting on 10<sup>th</sup> July 2025 and Managing Biodiversity for Sustainable Development on 26<sup>th</sup> July 2025. ICAI SAO also released its monthly journal, ‘The Social Impact Assessor’.



CMA TCA Srinivasa Prasad has been elected unanimously as the President, ICMAI and CMA Neeraj D. Joshi as the Vice President of ICMAI for the Council Year 2025-26



Warm Welcome to CMA TCA Srinivasa Prasad, President, ICMAI and CMA Neeraj D. Joshi, Vice President, ICMAI during their visit to CMA Bhawan, Kolkata



CMA TCA Srinivasa Prasad, Vice President (2024-25), ICAI, extending greetings to Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance and Minister of Corporate Affairs, during her visit to the ICAI Octanorm Stall at "IICA North East Conclave 2025" on 11<sup>th</sup> July 2025 at IIM Shillong



CMA Bibhuti Bhusan Nayak, President (2024-25), ICAI, during the signing of MoU between ICAI and IICA, in the august presence of Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance and Minister of Corporate Affairs, at "IICA North East Conclave 2025" on 11<sup>th</sup> July 2025 at IIM Shillong



CMA Bibhuti Bhusan Nayak, President (2024-25), ICAI and CMA Rajendra Singh Bhati, Council Member, ICAI with members of the Guwahati Chapter during their visit to the ICAI Octanorm Stall at "IICA North East Conclave 2025" on 11<sup>th</sup> July 2025 at IIM Shillong



CMA TCA Srinivasa Prasad, Vice President (2024-25), ICAI, interacted with Shri Gyaneshwar Kumar Singh, Director General & CEO, IICA, during his visit to the ICAI Octanorm Stall at "IICA North East Conclave 2025" on 11<sup>th</sup> July 2025 at IIM Shillong



Shri Gyaneshwar Kumar Singh, DG & CEO, IICA, met members of Guwahati Chapter of ICAI at Guwahati along with Vice President, CMA TCA Srinivasa Prasad (2024-25) and Council Members CMA Chittaranjan Chattopadhyay and CMA Rajendra Singh Bhati and engaged in an insightful interaction



CMA Bibhuti Bhusan Nayak, President (2024-25), ICMAI along with CMA Rajendra Singh Bhati, Council Member, ICMAI and CMA S.N. Mittal, Vice Chairman, NIRC-ICMAI called on Shri Om Birla ji, Hon'ble Speaker of Lok Sabha, Parliament of India on 19.07.2025



CMA Bibhuti Bhusan Nayak, President (2024-25), ICMAI along with CMA Manoj Kumar Anand, Council Member, ICMAI called on Shri V. Vualnam, Secretary to the Government of India, Department of Expenditure, Ministry of Finance on 14.07.2025 and discussed the matters related to the Institute and CMA profession



CMA TCA Srinivasa Prasad, President (2025-26), ICMAI along with CMA Neeraj D. Joshi, Vice President (2025-26), ICMAI and CMA Manoj Kumar Anand, Council Member, ICMAI, called on Shri Inder Deep Singh Dhariwal, Joint Secretary to the Government of India, Ministry of Corporate Affairs on 23.07.2025



CMA TCA Srinivasa Prasad, President (2025-26), ICMAI along with CMA Neeraj D. Joshi (2025-26), Vice President, ICMAI and CMA Manoj Kumar Anand, Council Member, ICMAI, called on Ms. Deepti Gaur Mukerjee, IAS, Secretary to the Government of India, Ministry of Corporate Affairs on 23.07.2025.



Inaugural Session of the Two-Week Training Programme for ICoAS Probationers (2025 Batch), conducted by ICMAI on 01/08/2025 at CMA Bhawan, New Delhi



CMA P.V.N. Madhav, Former Chairman of Visakhapatnam Chapter, ICMAI and Former MLC, Govt. of Andhra Pradesh, was felicitated by Visakhapatnam Chapter of ICMAI on his assumption of office as the State President of the BJP, Andhra Pradesh



CMA Neeraj D. Joshi, Vice President (2025-26), ICMAI along with CMA Vinayaranjan P, and CMA Harshad Deshpande, Council Members, ICMAI met Shri Sahil Malik, CGM, SEBI on 06.08.2025



Inauguration of CAT Course under DGR (Calendar 2025-26) on July 9<sup>th</sup>, 2025 at Bhubaneswar, graced by Col K G Mohanty, DGR and MC Members of Bhubaneswar Chapter



Inauguration of CAT Course under DGR (Calendar 2025-26) on 10<sup>th</sup> July 2025 at Ranchi, graced by Lt. Col. Jawahar Singh (Rajput Reg, Dipatoli MS, Ranchi), CMA Meera Prasad, Chairperson, ICMAI-Ranchi Chapter, CMA Bidhyadhar Prasad, RCM, ICMAI-EIRC and MC members of Ranchi Chapter



Inauguration of CAT Course under DGR (Calendar 2025-26) on 25<sup>th</sup> July 2025 at Hyderabad, graced by Lt Col Anand Singh, CMA (Dr.) K Ch A V S N Murthy, Council Member, ICMAI, CMA Khaja Jalal Uddin, Chairman, Hyderabad Chapter-ICMAI and other MC members of Hyderabad Chapter



Inauguration of CAT Course under DGR (Calendar 2025-26) on 24<sup>th</sup> July 2025 at Ahmedabad, graced by Cdr Rahil Rai (Jt. Dir, DRZ south, DGR), CMA Mitesh Prajapati, Chairman, Ahmedabad Chapter-ICMAI, and MC members of Ahmedabad Chapter



Valedictory of CAT Course under DGR (Calendar 2024-25) on 11<sup>th</sup> July 2025 at CMA Bhawan, Noida

# SMART METERING IN INDIA: PAVING THE WAY FOR AN EMPOWERED ENERGY FUTURE

### Abstract

India's ambition to digitize its electricity distribution network through the installation of 250 million (25 crore) smart meters under the Revamped Distribution Sector Scheme (RDSS) represents a transformative leap in energy governance. While smart metering has the potential to enhance billing efficiency, reduce Aggregate Technical & Commercial (AT&C) losses, and improve demand forecasting, its true promise lies in democratizing energy access and enabling data-driven utility reform. This article explores the current progress, challenges, and strategic interventions required to reframe smart meters not merely as billing devices, but as instruments for empowering consumers, strengthening DISCOMs, and realizing the broader vision of a digital, participatory power sector.

As with other energy transition technologies, the Indian Renewable Energy Development Agency Limited (IREDA) is expected to play a crucial role in financing and de-risking investments related to smart meter projects. IREDA has already demonstrated early momentum in this space, by sanctioning a good number of smart metering projects, underscoring its commitment to accelerating India's smart metering rollout and strengthening the backbone of its digital grid transformation.

### Introduction: The Role of Smart Meters in India's Energy Transformation

India's power distribution sector has long grappled with structural inefficiencies, including high AT&C losses, inaccurate



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billing, and financial stress on state-owned DISCOMs. Historically, the sector has suffered from weak metering infrastructure, manual billing practices, poor payment discipline, and widespread energy theft, which collectively undermine the financial health of utilities and discourage investments in system upgrades. These issues have led to a vicious cycle of operational inefficiency, low consumer trust, and insufficient cost recovery ultimately burdening state finances and consumers alike.

To address these long-standing challenges and modernize its power distribution framework, the Government of India launched the RDSS in 2021, with a total outlay of ₹3.03 lakh crore. A key component of this flagship initiative is the deployment of 25 crore smart prepaid meters by March 2026, aimed at improving billing accuracy, enhancing collection efficiency, and empowering consumers through real-time energy usage insights. The scheme aims to reduce the AT&C losses to pan-India levels of 12–15% and bridge the ACS-ARR (Average Cost of Supply – Average Revenue Realized) gap to zero—thereby restoring the financial viability of DISCOMs

and enabling sustained sectoral investment.

The total investment for installation of 25 crore smart meters is estimated at ₹1.25 lakh crore, to be financed as 75% in debt and 25% in equity contribution. Furthermore, under RDSS, the estimated budgetary support is ₹97,000 crore, including a specific allocation of approximately ₹900 per smart meter, which translates into ~₹25,000 crore in dedicated budgetary support for smart metering alone.

This well-calibrated financial structure is designed to catalyze private sector participation and accelerate AMISP (Advanced Metering Infrastructure Service Provider) deployment across states.

The smart meter initiative also complements other reforms such as the separation of carriage and content, time-of-day (ToD) tariffs, and decentralization of energy production. Equipped with two-way communications, smart meters are envisaged as a foundational element of Advanced Metering Infrastructure (AMI), enabling:

- ⊙ Real-time energy monitoring,
- ⊙ Remote disconnection/reconnection,
- ⊙ Time-of-Day pricing and behavioral nudges,
- ⊙ Integration of distributed energy resources,
- ⊙ Load profiling and peak demand management,
- ⊙ And eventually, decentralized and responsive energy markets.

A cornerstone of financial security in the smart metering ecosystem is the Direct Debit Facility (DDF), designed to ensure reliable cash flow for service providers. It is a critical financial safeguard built into India's smart metering framework to ensure timely payments to Advanced Metering Infrastructure Service Providers (AMISPs). Under this mechanism, DISCOMs are required to maintain minimum payment security—typically five times their monthly AMISP dues, sourced from consumer electricity collections routed through digital platforms. The objective is to protect vendors from payment delays and foster trust in the metering-as-a-service model.

At a systemic level, smart meters are expected to

facilitate a shift from a reactive to a proactive grid operation model where data-driven insights allow utilities to make informed decisions on network planning, energy procurement, and load optimization. For consumers, they herald a new era of energy accountability, where informed usage patterns can lead to lower bills and environmental benefits.

The success of this transformation hinges not only on hardware deployment and financing but also on the creation of a robust ecosystem of data management, capacity building, and consumer engagement. Institutions such as IREDA, which have previously supported financing for green hydrogen, bioenergy, and electric vehicles, are now actively contributing to the smart metering landscape.

However, despite this policy push and institutional support, ground-level implementation faces several hurdles including consumer resistance, DISCOM capacity gaps, and funding bottlenecks. Addressing these challenges through coordinated action will be crucial to realizing the full potential of India's digital grid vision.

### Progress and Potential: Financial & Operational Gains

The rollout of smart meters under the RDSS is one of India's most ambitious digital infrastructure initiatives within the power sector. With a target to install 25 crore prepaid smart meters by March 2026, the program promises to transform how electricity is consumed, monitored, and billed. However, as of June 2025, the pace of implementation reflects a gap between intent and execution.

#### *Current Status: Targets vs. Ground Reality*

According to the latest data, approximately **22.4 crore smart meters have been sanctioned**, with **14.3 crore awarded** to AMISPs. However, about **3.37 crore smart meters have been installed**, amounting to less than **14% of the national target**. Although the total installations haven't achieved the targets, the new installations have increased ~10x in the last two years reflecting strong intent and improvement in execution efficiency.

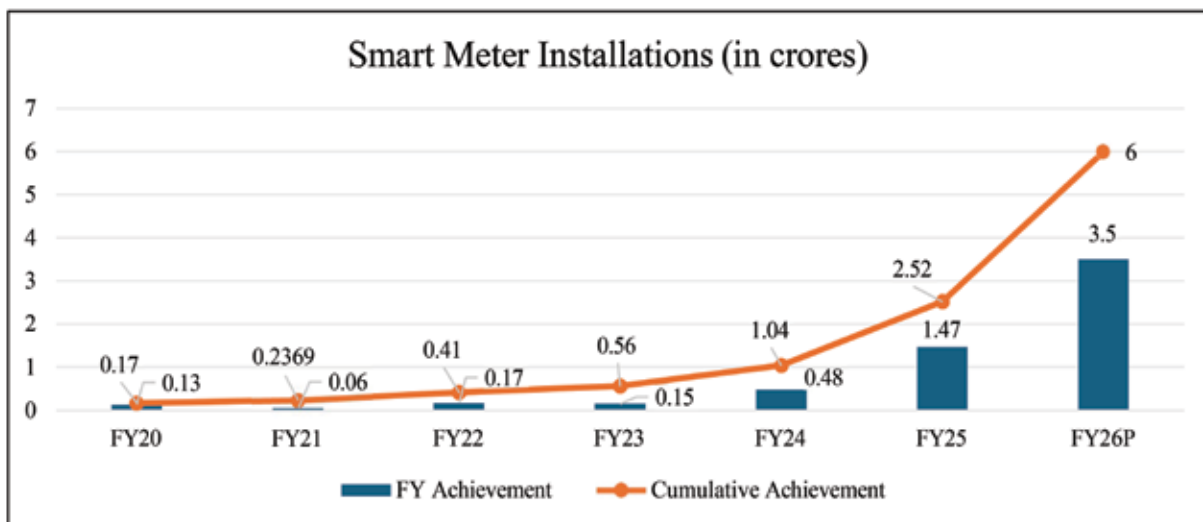


Figure 1: YoY installation of smart meters (Source: NSGM portal)

### Performance Gains: Emerging Operational and Financial Benefits

Despite the modest rollout so far, smart meters have already demonstrated early wins for DISCOMs, particularly in operational efficiency and revenue assurance. As per a report from CareEdge ratings:

- ⊙ **AT&C losses reduced from 20.7% in FY20 to 17.6% in FY24**, driven primarily by better collection mechanisms enabled through AMI systems,
- ⊙ **Billing efficiency improved from 82.5% in FY23 to 83.6% in FY24**, while **collection efficiency saw a rise from 96.1% in FY23 to 96.4% in FY24**, signaling better revenue realization by utilities.
- ⊙ The **ACS-ARR gap**—the difference between average cost of supply and average revenue realized—narrowed sharply from **₹0.72/unit in FY19 to ₹0.21/unit in FY24**. Although closing this gap entirely remains aspirational, the trajectory points to improved financial viability for DISCOMs.
- ⊙ Experts estimate that enhanced billing and collection efficiency from smart meters could unlock **₹4 lakh crore in additional revenues** over the next seven years.

These metrics demonstrate that even limited-scale deployments can yield measurable impact, reinforcing the case for expediting the national rollout.

### State-Level Trends: Mixed Execution Across Regions

Deployment progress varies significantly across states, shaped by institutional capacity, administrative will, and consumer engagement:

- ⊙ **Bihar** is one of the leaders in implementation with **60 lakh meters installed**, representing **30% of the national total** and **35% of its sanctioned meters as of FY25**. The state's success is largely attributed to aggressive vendor mobilization and strong political ownership.
- ⊙ **Assam** follows with commendable execution, benefiting from early awards and relatively smoother on-ground coordination.
- ⊙ On the other end of the spectrum, major states such as **Uttar Pradesh, Maharashtra, and Tamil Nadu**, despite having sanctioned and awarded contracts, have recorded sluggish installation progress. Issues range from delays in backend IT integration to resistance from consumers unfamiliar with prepaid metering systems.

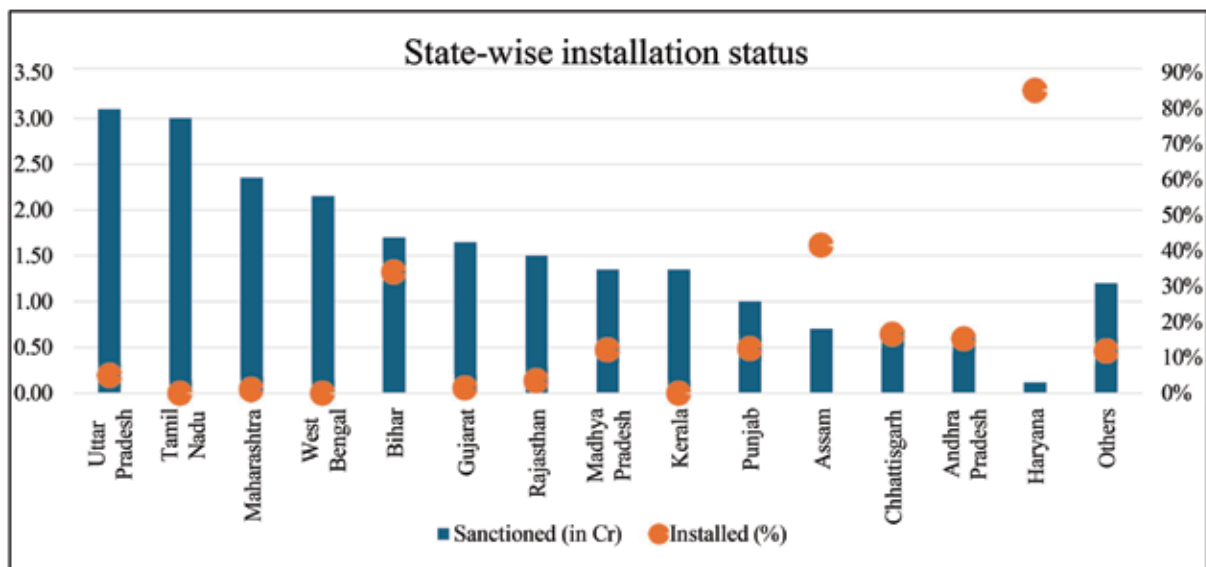


Figure 2: State-wise installation of smart meters (Source: CARE, NSGM Portal)

The disparity underscores the need for localized implementation strategies, responsive grievance redressal mechanisms, and robust digital literacy campaigns to improve acceptance and uptake.

### Key Challenges Hindering Scale-Up

Despite the clear benefits and high policy priority, the national smart metering rollout continues to face several complex and interrelated challenges. These roadblocks span technical, institutional, financial, and socio-behavioral domains, and addressing them is critical for unlocking the full value of this transformational reform.

#### Consumer Resistance and Behavioral Barriers

In many regions, particularly rural and low-income urban areas, consumers have expressed concerns about smart meters leading to inflated bills or causing unexpected disconnections. Misinformation, coupled with a lack of targeted awareness campaigns, has made meter acceptance difficult. The transition to prepaid billing, though beneficial in the long term, has been perceived as abrupt in some areas, further fueling distrust. For instance, prepaid metering often conflicts with traditional postpaid billing expectations, particularly where subsidies and delayed payments are common. Studies conducted by Energy Policy Institute and anecdotal surveys in Bihar and Uttar Pradesh reveal that users fear being “cut off” in emergencies, worry about recharge accessibility, and misunderstand

the functionality of Time-of-Day tariffs.

#### Utility Capacity and Implementation Readiness

Many DISCOMs still operate on legacy IT systems that are not fully compatible with smart metering infrastructure. Challenges related to integration with billing software, meter data management systems (MDMS), and outage management systems have delayed commissioning even after physical meter installation. Further, DISCOMs often lack sufficient manpower trained in handling AMI systems, leading to delays in activation and issue resolution.

#### Delays in Fund Disbursement and Cash Flow Mismatches

Although substantial financial commitments have been made under RDSS, the actual flow of funds has been sluggish. AMISPs and vendors often face delayed payments due to lack of timely disbursements from central or state agencies. This disrupts project timelines and creates uncertainty in vendor participation, particularly in smaller or financially weaker states.

#### Digital Infrastructure and Communication Gaps

Smart meter operations depend heavily on uninterrupted communication for real-time data capture and remote operability. In areas with poor telecom or RF mesh network coverage, communication failures result in meters operating

in offline or fallback modes, undermining the core benefits of smart metering. Investments in hybrid communication solutions and last-mile connectivity infrastructure remain inadequate in many locations. Each smart meter continuously generates granular data on consumption patterns, which if mishandled could compromise user privacy. Moreover, AMI networks are susceptible to cyberattacks, especially if built on unsecured protocols or legacy IT systems.

### *Fragmented Monitoring and Lack of Inter-State Learning*

While several states have made good progress, others have lagged due to weak institutional coordination and a lack of proactive monitoring. There is limited use of benchmarking, best-practice sharing, or independent third-party evaluations across DISCOMs. This has resulted in redundant errors and implementation inefficiencies repeating across states.

### **Case Studies Across the Globe**

- ⦿ *Italy* was one of the first countries in the world to implement a large-scale rollout of smart meters. Between 2001 and 2011, the Italian utility Enel installed over 35 million smart meters across households and small businesses. The implementation led to significant reductions in meter reading costs, improved detection of non-technical losses (electricity theft), and enabled remote disconnection/reconnection services. Italy's experience demonstrated how centralized planning, combined with strong regulatory support and investment in AMI systems, can drive operational efficiency and enable dynamic tariff models.
- ⦿ *China's* smart meter deployment is the largest globally, with over 500 million meters installed as part of its state-driven smart grid agenda. Led by the State Grid Corporation of China (SGCC), the program integrates AMI with AI-driven analytics, wide-area communications, and renewable energy management systems. Meters are designed for two-way communication, enabling real-time pricing, remote load control, and seamless integration with rooftop solar and EV infrastructure. The rollout was centrally

planned, financed by utility capital with government backing, and executed with standardized technologies across vendors. China's success demonstrates the power of scale, regulatory mandate, and technological integration in achieving grid modernization.

- ⦿ *The United States* adopted a decentralized approach to smart metering, with utilities leading implementation and federal grants under the 2009 American Recovery and Reinvestment Act (ARRA) providing financial impetus. By 2023, over 120 million smart meters were installed, covering 75% of electricity consumers. Utilities like PG&E and Florida Power & Light used AMI systems to launch demand response programs, improve outage detection, and engage consumers with real-time usage data and customized tariff plans. The U.S. experience highlights the effectiveness of blending federal support with utility-driven innovation and market responsiveness, though outcomes vary widely across states due to regulatory fragmentation.

India's projected ₹1.25 lakh crore smart metering investment, covering 25 crore meters, amounts to approximately ₹5000 per meter (or ~\$60). In comparison, the cost per meter in Europe and the U.S. ranges between \$150–\$200, owing to higher feature sets and labor costs. Operational savings in India are also comparatively higher due to legacy inefficiencies—manual meter reading, theft, and subsidy leakage.

For instance, Enel in Italy saved over €500 million annually through smart meter deployment, while U.S. utilities reduced outage response times by 15–20%. Similarly, in India, studies suggest AT&C loss reductions of 3–5% and revenue increases of ₹4 lakh crore over 7 years. A comparative cost-benefit analysis clearly establishes that India's return on investment is among the strongest globally—particularly when factoring in the reduction of financial burden on DISCOMs and the improved billing experience for consumers.

### **Strategic Interventions to Accelerate Rollout**

#### *Consumer-Centric Awareness and Onboarding*

Building consumer trust is essential to accelerate

smart meter adoption. Resistance among users often stems from limited understanding of the benefits, fear of bill hikes, and confusion over prepaid functionalities. To overcome this, DISCOMs must initiate sustained and localized awareness campaigns. These should leverage community influencers, self-help groups, resident welfare associations, and local media in regional languages to explain how smart meters work, how to recharge, and how to monitor usage. Interactive demonstrations, meter literacy drives, and mobile apps with user-friendly dashboards can go a long way in reducing apprehension and improving participation. Communication must be an ongoing process—not a one-time effort—covering onboarding, usage behavior, and grievance redressal.

### *DISCOM Capacity Building*

Many DISCOMs are underprepared for the operational complexities that come with smart metering. The transition from manual to automated metering requires significant upskilling of utility staff in areas such as meter installation protocols, Meter Data Management System (MDMS) operations, handling consumer queries, and managing remote disconnection- reconnection processes. Centralized training programs, supported by institutions like REC, and state electricity academies, should be expanded with a focus on real-world implementation challenges. In parallel, DISCOMs must invest in digital infrastructure upgrades to enable seamless integration of smart meters with their legacy ERP, billing systems, and consumer service platforms. Without this foundational readiness, the benefits of smart metering will remain underutilized.

### *Standardization and Interoperability of AMI Infrastructure*

Interoperability remains a major challenge, as many DISCOMs have adopted vendor-specific or proprietary solutions that create integration silos. To overcome this, the adoption of open architecture and BIS-compliant standards must be enforced at the national level. Ensuring that meters, communication modules, and software platforms can work across vendors will enhance competition, reduce costs, and prevent technological lock-in. Utilities should also maintain central AMI repositories with clearly defined data formats, protocols, and APIs to enable flexible

scaling and smoother integration with third-party service providers and evolving market platforms.

### *Dedicated Project Governance and Real-Time Monitoring*

Effective coordination among the three main stakeholders: central and state governments, DISCOMs, and AMISPs is essential to smart metering success. A streamlined governance framework is needed to bridge these roles. Joint monthly reviews chaired by the Ministry or SERCs can monitor compliance, resolve bottlenecks, and align timelines. Without such institutional clarity, duplication of efforts and miscommunication will continue to delay outcomes. States should establish dedicated Project Management Units (PMUs) within DISCOMs or energy departments to drive the implementation. These PMUs should be staffed with technical, financial, and project management professionals tasked with coordinating between AMISPs, regulators, and consumers. Their responsibilities would include tracking meter deployment progress, managing contract milestones, resolving field-level challenges, and maintaining quality control. PMUs should be supported by a centralized dashboard preferably hosted by the Ministry of Power that allows real-time tracking of state-wise performance, funding status, and vendor accountability.

### *Financial Risk Mitigation and Secure Payment Mechanisms*

The current TOTEX model expects AMISPs to bear upfront capital costs and recover them over time via service fees. This structure creates financial risk, particularly in states with weak digital billing or low consumer compliance. To mitigate this, escrow-backed payment mechanisms should be made mandatory to ensure timely vendor payments under the Direct Debit Facility (DDF). Further, milestone-based disbursements linked to verified KPIs (such as number of meters installed, data accuracy, and communication uptime) should replace lump-sum payments. For difficult geographies or low-income zones, the government could consider viability gap funding or partial credit guarantee schemes to attract qualified AMISPs and reduce market concentration risks.

### *Early Use of Meter Data to Unlock System Value*

Smart meters generate rich, granular data that can transform distribution management but only if used effectively. DISCOMs should begin using real-time data analytics immediately after initial installations. Applications include load forecasting, energy theft detection, outage mapping, and targeted Time-of-Day tariff deployment. Early adoption of these use cases will demonstrate tangible benefits to consumers and utilities alike, justifying investment and accelerating policy support. Moreover, data-driven insights can help optimize grid operations, reduce AT&C losses, and improve system resilience, making the business case for smart metering even stronger.

### *Smart Meter Technology, Data Privacy and Security Concerns*

Strict enforcement of BIS cybersecurity guidelines and CEA's cyber audit protocols is essential. Each meter and head-end system must be certified for encryption, firewalling, and secure firmware updates. Additionally, a national framework for smart meter data governance—covering consent management, anonymization, and third-party data sharing—should be introduced. India's upcoming Digital Personal Data Protection Act can serve as the legal foundation for these protections. Building consumer confidence in the safety of their data will be as important as the physical meter itself.

### **Conclusion and the Role of IREDA**

India's smart metering program stands at a pivotal moment. With over 22 crore smart meters sanctioned but about 3.37 crore installed, the challenge is not in the lack of ambition or funding, but in execution. Smart meters are not just devices—they are a gateway to a more resilient, transparent, and participatory power system. Their full potential lies in reducing AT&C losses, bridging the ACS-ARR gap, enabling demand-side management, integrating renewable energy, and improving the

“Smart metering is revolutionizing India's power sector by enhancing transparency, efficiency, and consumer empowerment for a resilient energy future”

financial sustainability of DISCOMs. However, realizing these outcomes requires much more than hardware installation; it demands systemic reform, seamless digital infrastructure, behavioral change among consumers, and most critically, consistent and risk-mitigated financing.

In this transformation, IREDA plays a catalytic role. As India's premier green financing institution, IREDA has a proven track record of supporting clean energy infrastructure, including solar, wind, green hydrogen, and energy storage. Its entry into the smart

metering space is both timely and essential. By extending financial support to smart metering projects, IREDA is actively helping to overcome the financing challenges that have hindered the implementation of several awarded projects, paving the way for their timely execution. By offering project-specific loans, milestone-linked disbursements, and technical due diligence, IREDA ensures that capital flows are aligned with execution milestones and quality benchmarks.

Beyond capital, IREDA's role extends to enabling risk mitigation mechanisms such as escrow-based payments and exploring blended finance models. It's deep engagement with DISCOMs and AMISPs allows it to design financial instruments that are responsive to the sector's realities particularly in states where digital billing and prepaid adoption remain nascent. IREDA is also well-positioned to support DISCOMs in upgrading their digital infrastructure, training human resources, and integrating AMI data into broader distribution reforms.

As India marches toward a digitally enabled, consumer-empowered power grid, IREDA's contributions go beyond finance—they reflect institutional leadership. Its ability to fuse technical, financial, and operational insights makes it a cornerstone of India's smart grid future. With coordinated efforts from central ministries, regulators, utilities, and financing partners like IREDA, the vision of universal smart metering can become a reality unlocking lasting gains for consumers, utilities, and the energy economy. **MA**

# IFSCA'S COMPLAINT HANDLING MECHANISM: ENSURING TRUST IN THE FINANCIAL SERVICES MARKET IN GIFT IFSC

## Abstract

GIFT IFSC is rapidly emerging as a global hub for cross-border financial services, offering a world-class regulatory and business environment, with more than 850 entities already registered or licensed by IFSCA to carry out various permissible activities. As a regulator, one of the primary objectives of IFSCA is to ensure that the interests of financial consumers are protected. An important element of investor protection is providing investors with effective mechanisms for complaint handling. A robust complaint handling mechanism assures investors that their concerns will be addressed in a fair, transparent and efficient manner.

IFSCA has issued a circular titled “Complaint Handling and Grievance Redressal by Regulated Entities in the IFSC”. This article provides details about the norms, and requirements specified by IFSCA for complaint handling. This article also emphasizes the significance of strengthening consumer protection in IFSC which is essential for building trust and confidence of investors for attracting foreign capital as India moves towards realizing the vision of Viksit Bharat @ 2047.



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## Introduction

**U**nder the Viksit Bharat Mission, the Government of India has set an ambitious target to transform India into a developed nation by 2047. To fuel economic growth during the Amrit Kaal, there is a need to attract tons of foreign capital into the country in a cost-efficient manner, supported by

ease of doing business.

While setting up International Financial Services Centres Authority (IFSCA) vide IFSCA Act, 2019 as a *four-in-one*, unified financial sector regulator of IFSCs in India, the intent of the Indian Parliament was clear that IFSCs should be able to bring back the financial services and transactions which thus far were being carried out in offshore financial

centres by Indians and also that a vibrant, state of the art and modern regulatory ecosystem promoting ease of doing business be created by IFSCA that is at par with best in class financial centres in the world.

The idea was that such foreign investment in the form of infusion of fresh capital in the Indian ecosystem shall help India in meeting its ambitious growth targets and create new job opportunities to the ever-increasing white colour job seekers in India.

IFSCA, having its head quarter at GIFT IFSC at Gujarat kick started its journey with effect from 1<sup>st</sup> October 2020 and very soon attracted the attention of the world. It came out with all relevant regulations/frameworks not only for traditional financial activities but also on very new and innovative areas on the strength of various notifications issued by the Government covering aircraft/ship leasing, foreign universities, GICs, bullion exchange etc. Resultantly, the GIFT IFSC is rapidly progressing to emerge as a global hub for cross-border financial services, offering a world-class regulatory and business environment, with more than 850 entities already registered or licensed by IFSCA to carry out various permissible activities.

When there are financial transactions and movement of monies, especially of higher value, the disagreements or complaints are bound to creep in. As a regulator, it is not only the function but also the duty of IFSCA to ensure to have an ecosystem that is so dynamic and vibrant that there should be no complaints between its regulated entities and their customers and, in case such situation does arise, there should be proper mechanism to address that in a most professional and undisruptive manner. In the absence of such a mechanism, any regulator or jurisdiction will run the reputational risk.

International investors are more likely to invest in financial centers where they know their grievances will be resolved efficiently. This is especially important for emerging financial hubs aiming to compete with global financial centres. A robust complaint handling mechanism assures investors that their concerns will be addressed in a fair, transparent and efficient manner. Acknowledging this very scenario, the IFSCA has come out with a circular titled “*Complaint Handling and Grievance*

*Redressal by Regulated Entities in the IFSC*”<sup>1</sup> providing the regulatory framework for the handling of complaints and redress of grievances by the regulated entities in the International Financial Services Centre (IFSC). The circular has come into force with effect from April 01, 2025.

### Standards by Global Standard Setting Bodies

The framework on “*Complaint Handling and Grievance Redressal*” is guided by standards laid down by global standard setting bodies, as briefly outlined below:

- a. **IOSCO:** The International Organization of Securities Commissions (IOSCO) emphasizes investor protection as one of the core objectives of securities regulation, with Principle 31 *inter alia* focusing on the need for market intermediaries to establish efficient and effective complaint handling mechanisms.<sup>2</sup>
- b. **BCBS:** The Basel Committee on Banking Supervision (BCBS) stresses the importance of consumer protection in the context of financial inclusion, as outlined in the report titled “*Guidance on the application of the Core Principles for Effective Banking Supervision to the regulation and supervision of institutions relevant to financial inclusion*” released in 2016, highlighting that each jurisdiction needs to have a well-developed public infrastructure in which consumer protection laws (and other business laws) are consistently enforced and provide a mechanism for the fair resolution of disputes.<sup>3</sup>
- c. **IAIS:** The International Association of Insurance Supervisors (IAIS), through its Insurance Core Principle (ICP 19), mandates that insurers and intermediaries resolve complaints in a fair and timely manner to protect policyholders.<sup>4</sup>

<sup>1</sup> Circular is available on the website of IFSCA at <https://ifsc.gov.in/Document/Legal/complaint-handling-and-grievance-redressal-by-regulated-entities-in-the-ifsc02122024015438.pdf>

<sup>2</sup> *IOSCO Methodology for assessing implementation of the IOSCO Objectives and Principles of Securities Regulation* available at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD562.pdf>

<sup>3</sup> BCBS Report on “*Guidance on the application of the Core Principles for Effective Banking Supervision to the regulation and supervision of institutions relevant to financial inclusion*” available at <https://www.bis.org/bcbs/publ/d383.pdf>

<sup>4</sup> Insurance Core Principles (ICP 19.11: <https://www.iais.org/icp-online-tool/13530-icp-19-conduct-of-business>)

- d. **OECD:** The G20/OECD High-Level Principles on Financial Consumer Protection (updated in 2022 and endorsed by G20), set out the elements of an effective and comprehensive financial consumer protection framework. Principle 12, calls for accessible, affordable, and independent complaint handling systems, ensuring that these mechanisms are fair, accountable, and efficient.<sup>5</sup>

IFSCA's Policy on Grievance Redressal mandates fair, timely and efficient complaint resolution by regulated entities, fostering market integrity and consumer protection in GIFT IFSC

align the norms and procedures for complaint handling across the financial services in the IFSC to the extent possible. This will also promote ease of doing business, particularly for regulated entities having multiple registrations with IFSCA for undertaking various financial services in the IFSC.

### Applicability

The regulatory framework on complaint handling issued by IFSCA is applicable on all entities regulated by IFSCA, dealing with any consumer or client other than their group entities, except for

entities such as foreign Universities, ancillary service providers, Book-keeping, Accounting, Taxation and Financial Crime Compliance Services (BATF) service providers, global/regional corporate treasury centres and entities engaged in aircraft leasing or ship leasing in the IFSC.

### Objectives

IFSCA has issued the regulatory framework for complaint handling and grievance redressal by regulated entities in the IFSC with the following objectives:

- a. **Protecting the interests of Financial Consumers:** As a financial sector regulator, one of the core “regulatory” objectives of IFSCA is to protect the interests of financial consumers. Therefore, it is essential that there should be a robust mechanism for handling of complaints of consumers by the financial service providers in GIFT IFSC.
- b. **Enhancing Market Integrity:** A transparent and efficient grievance redressal system enhances market integrity by holding financial service providers accountable for their actions. It also helps in identifying systemic issues and gaps in the regulatory framework, thereby contributing to the overall stability of the financial system.
- c. **Building Investor Confidence:** Investor confidence is crucial for the growth of any financial market. By ensuring that consumer complaints are handled fairly and promptly, the IFSCA can foster a culture of trust and transparency, attracting more investors to the IFSC.
- d. **Ease of Doing Business:** As a unified financial sector regulator, one of the objectives is to

### Salient Features

The salient features of the regulatory framework on complaint handling are as follows:

- a. **Policy:** The regulated entities shall have a policy on handling of complaints and grievance redressal, duly approved by their governing body or their Board of Directors, as applicable. The policy on Complaint Handling and Grievance Redressal shall be prominently disclosed on the website of the regulated entities or on a dedicated webpage of its Group Entity, as applicable, under the heading “Complaint Handling and Grievance Redressal”. The name and contact details of the Complaint Redressal Officer (“CRO”) and the Complaint Redressal Appellate Officer (“CRAO”) shall also be prominently displayed under this section.
- b. **Retail vs. Professional Consumers:** The framework differentiates between retail consumers and professional consumers, recognizing the varying levels of sophistication and vulnerability between the two categories of consumers. In respect of regulated entities dealing with

<sup>5</sup> Updated G20/OECD High-Level Principles on Financial Consumer Protection <https://web.archive.oecd.org/temp/2022-12-15/622748-high-level-principles-on-financial-consumer-protection.htm>

retail consumers, the framework mandates additional requirements with stricter timelines ensuring that their grievances are addressed promptly.

**c. Complaint Handling - Retail Consumers**

**Procedure:** On receipt of a complaint, the Complaint Redressal Officer of the regulated entities shall make an assessment on the merits of the complaint. The regulated entities shall acknowledge acceptance of complaints, in writing, within 3 working days of receipt of the complaint. In case of non-acceptance, the regulated entities shall inform the complainant within 5 working days along with the reasons. The regulated entities shall dispose of a complaint preferably within 15 days but ordinarily not later than 30 days of acceptance of a complaint.

**Appeal Mechanism:** If dissatisfied with the outcome, complainants can file an appeal to the CRAO within 21 days of receiving the decision. The CRAO must resolve the appeal within 30 days.

**d. Complaint Before the Authority:** If the complainant remains dissatisfied after exhausting the entity's internal appeal process, the complainant may escalate the matter to IFSCA by sending an email to [grievance-redressal@ifsc.gov.in](mailto:grievance-redressal@ifsc.gov.in) within 21 days. Where a complaint is against a trading member or a clearing member or a depository participant or a bullion trading member or a bullion clearing member, the consumers shall first approach the relevant market infrastructure

institution before approaching IFSCA.

**e. Record Maintenance:** The regulated entities shall maintain records of all complaints, including correspondence, resolutions, and reasons for rejection, for the period as specified in the circular.

**f. Reporting:** The regulated entities shall file reports on the handling of complaints in the form and manner specified by the Authority. The regulated entities shall have a section with the heading "*Complaint Handling and Grievance Redressal*" in their Annual Report, if the entity is required to file an annual report for its business activities in the IFSC under the applicable laws. In case the entity is not required to file an annual report, the entity shall display the same on its website / dedicated webpage of its Group Entity, as applicable.

### Conclusion

The Framework on Complaint Handling and Grievance Redressal by IFSCA is a transformative step for GIFT IFSC, ensuring enhanced consumer protection through fair and transparent grievance resolution. It promotes improved market discipline by holding financial service providers accountable, reducing misconduct and fraud. This framework is aimed at boosting investor confidence thereby contributing towards attracting global capital and supporting GIFT IFSC's growth as a leading financial hub. By aligning with global standards, it strengthens GIFT IFSC's reputation, reinforcing its position as a competitive and trustworthy International Financial Services Centre. MA

## Obituary



The Institute and its members deeply mourn the sad demise of CMA Nalin Indravadan Mehta, a renowned cost accountant (NI Mehta & co.), who left for heavenly abode on 29<sup>th</sup> July, 2025. May God bless the family to have the courage and strength to overcome the irreparable loss.

# IFSCA - A PILLAR FOR ATMANIRBHAR BHARAT

## Abstract

The present article is a humble attempt to emphasize the role of IFSCA in fostering the growth of financial services in India and thereby attaining the Atmanirbhar Bharat goals. The article also underscores the role of CMAs in IFSCA regulated entities to help them achieve their potential.

**A**tmanirbhar Bharat (Self-Reliant India) is a vision to make India a self-sufficient and resilient economy, leveraging its strengths and reducing dependence on external factors for critical needs. The various pillars of Atmanirbhar Bharat include:

**Economy:** Aiming for a quantum jump rather than incremental growth, focusing on sustainable and inclusive development.

**Infrastructure:** Building modern infrastructure to support economic growth and enhance competitiveness.

**System:** Creating a technology-driven system that is efficient, transparent, and accountable.

**Demography:** Leveraging India's demographic dividend to drive growth through skill development and empowerment.

**Demand:** Fostering domestic demand and encouraging local production to meet needs.

The International Financial Services Centres Authority (IFSCA) plays a pivotal role in India's journey towards becoming Atmanirbhar in the financial services sector. Established in 2020, IFSCA regulates financial services in India, aiming to promote global financial services in a secure and regulated environment.

### Vision and Objectives of IFSCA

The IFSCA is dedicated to establishing India as a premier global hub for financial services. Its key objectives include :



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**Regulatory excellence:** Develop a robust, transparent regulatory framework aligned with international best practices to foster trust and attract global participants.

**Innovation and competitiveness:** Encourage fintech, as well as the development of new financial products and services, to enhance market efficiency and competitiveness.

**Investor Protection:** Ensure stringent investor protection through regulations and enforcement to foster confidence among both domestic and international investors.

**Sustainable development:** Integrate ESG (Environmental, Social, and Governance) principles into the regulatory framework to promote responsible finance and long-term sustainability.

**Ease of doing business:** Simplify procedures and provide a business-friendly environment to attract firms and capital.

### Significance for Atmanirbhar Bharat

IFSCA contributes to Atmanirbhar Bharat in several ways:

**Boosting Financial Services Exports:** IFSCA can enhance India's exports of financial services, contributing to economic growth.

**Attracting Global Business:** IFSCA aim to attract international financial institutions, creating opportunities for India to become a global financial hub.

**Job Creation and Skill Development:** IFSCA can lead to job creation and skill development in financial services.

### Role of CMAs in the Context of IFSCA

Cost Management Accountants (CMAs) can contribute to Advisory, Ratings, and Compliance in IFSCA-regulated financial entities in several ways, leveraging their expertise in cost management, financial planning, and strategic decision-making.

**i) Advisory Services:** CMAs can provide advisory services to financial institutions on cost optimization, profitability analysis, and performance improvement. They can help firms make informed decisions on resource allocation, pricing strategies, and investment decisions.

**ii) Risk Management, Compliance and Regulatory Reporting:** CMAs can assist financial entities in ensuring compliance with regulatory requirements, including those related to financial reporting, risk management, and cost management. By providing insights on cost and financial management, CMAs can aid in risk management and ensure compliance with regulatory norms. It is pertinent to mention here that CMAs can support strategic decision-making in financial entities by providing data-driven insights on costs, profitability, and performance.

**iii) Ratings and Credit Assessments:** CMAs can contribute to internal credit assessments and ratings within financial institutions by providing insights on cost structures, financial health, and operational efficiency of clients or investees. This can help in making informed lending or investment decisions.

Apart from the above role, Cost Management Accountants (CMAs) can add value by contributing to various areas in IFSCA-regulated entities beyond advisory, ratings, and compliance, such as

**a) Financial Planning and Analysis:** CMAs can help financial institutions with financial planning, budgeting, and forecasting. They can provide insights on financial performance, helping firms make informed decisions. For example, CMAs help IFSCA-regulated asset management companies develop a financial plan to optimise costs for managing different investment portfolios.

IFSCA advances Atmanirbhar Bharat by creating a robust regulatory framework and attracting global investments

**b) Operational Efficiency:** By analysing cost structures and operational processes, CMAs can help financial entities to improve efficiency, reduce costs, and enhance productivity. For example, CMAs identify areas to reduce operational costs in an IFSCA-regulated bank's back-office operations, enhancing productivity.

**c) Risk Management:** CMAs contribute to risk management by identifying cost-related risks, analyzing financial risks, and providing recommendations to mitigate these risks. For example, CMAs help IFSCA-regulated insurance companies assess risks related to cost fluctuations in claims processing.

**d) Performance Management:** CMAs can help design and implement performance management systems that focus on cost management, profitability, and overall financial performance of financial institutions. For example, CMAs implement a performance metric system for an IFSCA-regulated fintech firm to track the cost efficiency and profitability of digital payment services.

**e) Business Strategy and Decision Support:** Leveraging their expertise in cost and financial management, CMAs can support business strategy development and provide data-driven insights for decision-making in IFSCA-regulated entities. For example, CMAs analyse cost-benefit scenarios for an IFSCA-regulated financial institution considering expansion into new markets.

### Other Aspects of Contribution by CMAs in IFSCA-regulated Entities:

CMAs can contribute to other aspects of IFSCA-regulated financial entities, including:

- ⦿ **Cost-Benefit Analysis of New Products/ Services:** CMAs evaluate the financial viability of new offerings. For example, a CMA evaluates costs versus potential returns for a new digital lending product in an IFSCA-regulated fintech company.
- ⦿ **Transfer Pricing and Inter-Entity Transactions:** CMAs ensure compliance and optimization in IFSCA entities with international operations. For example, a CMA helps an IFSCA-regulated entity determine

arm's length pricing for transactions with its parent company abroad.

- ⊙ **ESG (Environmental, Social, Governance) Reporting and Compliance:** CMAs help integrate cost management with ESG principles in reporting. For example, a CMA assists an IFSCA-regulated investment firm in analyzing costs associated with ESG-compliant investment strategies.

CMAs can further contribute to IFSCA-regulated financial entities through:

- ⊙ **Data Analytics for Cost Management:** Leveraging data analytics for insights on cost drivers and optimization.
- ⊙ **Benchmarking and Performance Comparison:** Comparing costs and performance against industry benchmarks.
- ⊙ **Strategic Cost Management for Digital Transformation:** Helping IFSCA entities manage costs during digital transformation initiatives.
- ⊙ **Compliance with International Financial Standards:** Assisting in ensuring compliance with international standards.

### IFSCA's Regulatory Framework and Initiatives

IFSCA has been proactive in developing a regulatory framework conducive to the growth of financial services. Initiatives include:

- ⊙ **Regulations for Financial Services:** Framing regulations for various financial services like banking, insurance, and asset management.
- ⊙ **Ease of Doing Business:** Efforts to enhance ease of doing business in IFSCA, making them attractive for global financial players.

### Challenges:

While IFSCA presents a plethora of opportunities for growth in India's financial services sector as depicted supra, challenges are there, such as

- ⊙ **Regulatory Alignment:** Ensuring regulatory alignment with global standards while catering to India's specific needs.
- ⊙ **Talent and Infrastructure:** Developing talent and infrastructure to support growth in financial services

### IFSCA's Approach to Overcoming Challenges

IFSCA has been working to address challenges like Regulatory Alignment, Talent, and Infrastructure through various initiatives.

#### a) Regulatory Alignment:

- ⊙ **TechFin Regulations 2025:** IFSCA introduced regulations for TechFin and ancillary services in 2025, offering clear legal structures, global benchmarks, and perpetual licensing to attract firms.
- ⊙ **Informal Guidance Scheme 2024:** IFSCA launched this scheme to provide clarity on regulatory issues, helping businesses navigate complex frameworks and make informed decisions.

#### b) Talent

- ⊙ **Enhanced Training and Certification:** Fund Management Entities (FMEs) are expected to ensure employees meet mandatory certification requirements from IFSCA-approved institutions.
- ⊙ **Regulatory Clarity:** By simplifying regulations and offering guidance, IFSCA encourages innovation and participation potentially attracting skilled talent.

#### c) Infrastructure

- ⊙ **SWIT Portal for Seamless Applications:** IFSCA's Single Window IT System (SWIT) enables seamless applications, approvals, and compliance for entities.
- ⊙ **Focus on Digital and ESG Services:** IFSCA's regulations encourage foreign capital through USD billing and cover services like ESG analysis, AI, and legaltech.

### Conclusion

IFSCA is a crucial pillar for Atmanirbhar Bharat in the financial services domain. By fostering growth in IFSCA, India can enhance its position in global financial services, contributing to economic growth and self-reliance. CMAs, with their expertise in cost and financial management, can play a vital role in this journey. MA

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# IFSC AS A CATALYST: DRIVING INDIA'S GREEN FINANCE TRANSITION TOWARD VIKSIT BHARAT 2047

## Abstract

This article examines India's strategic pursuit of sustainable development through the International Financial Services Centre (IFSC), focusing on its role in mobilising green capital and fostering ESG integration. It analyses recent regulatory innovations, sustainable lending trends, and the evolution of ESG-labelled instruments under IFSCA. By linking IFSC's initiatives with national and global climate goals, the article highlights how IFSC is enabling India's transition to a net-zero, climate-resilient, and globally influential economy by 2047.

## INTRODUCTION

India is at a pivotal moment as it strives for *Viksit Bharat 2047*- a vision of the nation as a developed, inclusive, and sustainable global leader. With the economy projected to expand at 6.7% through FY26 and FY27 (World Bank, 2025), India is cementing its role as a key driver of global economic growth. However, this rapid progress intensifies the challenge of aligning robust development with ambitious climate action. Achieving net-zero emissions by 2070 and meeting the Panchamrit commitments will require over USD 10 trillion in green investments (IFC, 2024). Yet, annual green finance flows remain at just USD 44 billion, far short of the requirement (CPI, 2022), threatening to impede climate and energy goals.

To bridge this substantial financing gap, India's financial system must mobilize green capital, deepen ESG integration, and drive investments in climate-resilient infrastructure. In this context, the International Financial Services Centres



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Authority (IFSCA), established in 2019 at GIFT City, has emerged as a strategic catalyst. As the unified financial regulator, IFSCA fosters a robust ecosystem for sustainable finance, aiming to position GIFT-IFSC as a global hub for green investment. India's pursuit of Viksit Bharat 2047 thus places sustainable finance at the heart of its development and climate strategy.

## IFSC AND SUSTAINABLE FINANCE IN INDIA

Over the years, the International Financial Services Centres Authority (IFSCA) has systematically

advanced a multi-layered, innovation-driven regulatory and institutional ecosystem to position GIFT IFSC as a global hub for sustainable finance. A significant stride was taken in March 2021 with the consultation paper on the IFSCA (Issuance and Listing of Securities) Regulations, 2021, which enabled listing of ESG-labelled debt securities—such as green, social, sustainability, and sustainability-linked bonds—on IFSC exchanges. Listings are aligned to international standards, with enhanced disclosure requirements to ensure proceeds are directed transparently into qualified sustainable projects. The 2021 regulations have catalysed a surge in ESG debt issuances; as of March 31, 2023, cumulative ESG-labelled debt listings at IFSC exchanges surpassed USD 9.2 billion, demonstrating IFSC's rapid emergence as a preferred platform for responsible capital (IFSCA Annual Report, 2023). Complementing this, an MoU between India International Exchange (INX) and the Luxembourg Stock Exchange in November 2020 further aimed to promote ESG and green finance.

Building on this, IFSCA issued the Guidance Framework for Sustainable and Sustainability-linked Lending in April 2022, mandating IFSC banking units (IBUs) and financial institutions to develop board-approved lending policies aligned with international norms and direct at least 5% of their loan portfolios towards ESG sectors from April 2023 onward. The IFSCA (Fund Management) Regulations, 2022 embed sustainability at an institutional level by mandating ESG-related disclosures for ESG schemes and requiring large fund management entities (with AUM above USD 3 billion) to incorporate ESG considerations in their investment decisions, fostering a new era of responsible investing. Along with this, IFSCA's FinTech Incentive Scheme, 2022 offers Green FinTech Grants—up to ₹75 lakh per project—to spur innovation and technological solutions in ESG and sustainable finance, supporting India's net-zero targets and futureproofing the financial ecosystem.

Recognising the evolving landscape, IFSCA constituted an Expert Committee on Climate Finance, comprising global experts and thought leaders. It has been tasked with developing

strategies for a thriving, sustainable finance ecosystem, developing appropriate financial instruments at GIFT-IFSC, and also providing recommendations on establishing it as a world-class sustainable finance hub. Meanwhile, IFSCA has also issued a dedicated ESG Schemes Framework acknowledging the rising importance of ESG-labelled investment schemes that govern initial and periodic disclosures, monitoring, and performance evaluation. It introduces Transition Funds and Engagement Funds, sharpening the focus on cutting emissions in difficult sectors and working closely with companies to improve their ESG metrics.

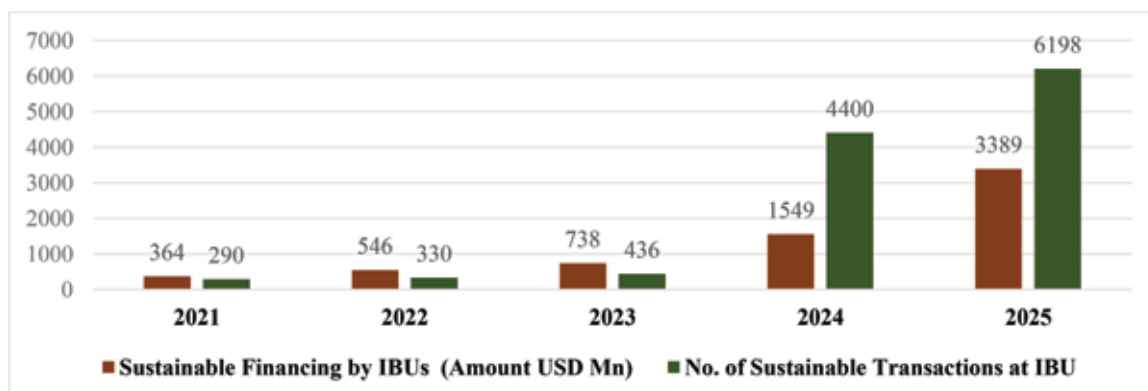
More recently, IFSCA signed an MoU with Climate Policy Initiative - India (CPI) on July 06, 2023. This collaboration aimed at boosting global sustainable capital flows into India through research and policy cooperation. Additionally, a scheme for Sovereign Green Bonds trading in IFSC was operationalised in September 2024, following the Union Budget announcement regarding the issue of sovereign bonds. To combat greenwashing, IFSCA issued a consultation paper in October 2024 for ESG debt securities. IFSC is paving the way for forward-looking sustainable finance solutions by developing frameworks for Transition Bonds, Voluntary Carbon Markets, and Blended Finance Instruments, aimed at supporting net-zero transitions by attracting global capital for hard-to-abate sectors and catalysing private investment. Together, these interlinked initiatives reflect IFSCA's comprehensive and visionary approach to integrating sustainability across capital markets, lending, fund management, fintech, and policy frameworks, reinforcing India's aspirations to become a global leader in sustainable finance.

To guide this inquiry, the article addresses the following research questions: a) How has IFSC facilitated green capital mobilisation in India? b) What institutional tools and policy frameworks under IFSCA have advanced sustainable finance? Drawing on official IFSCA bulletins, regulatory documents, and secondary datasets, the analysis adopts a policy-institutional lens to critically examine the IFSC's evolving role in aligning India's financial ecosystem with global sustainability mandates.

## GROWTH TRAJECTORY OF SUSTAINABLE FINANCE IN IFSC

The regulatory groundwork laid by IFSCA—through its 2021 debt listing regulations and the 2022 sustainable lending framework—has begun to translate into tangible outcomes. These initiatives are now visibly shaping the structure of sustainable finance at IFSC, as reflected in the upward trend of both sustainable lending and ESG-labelled bond

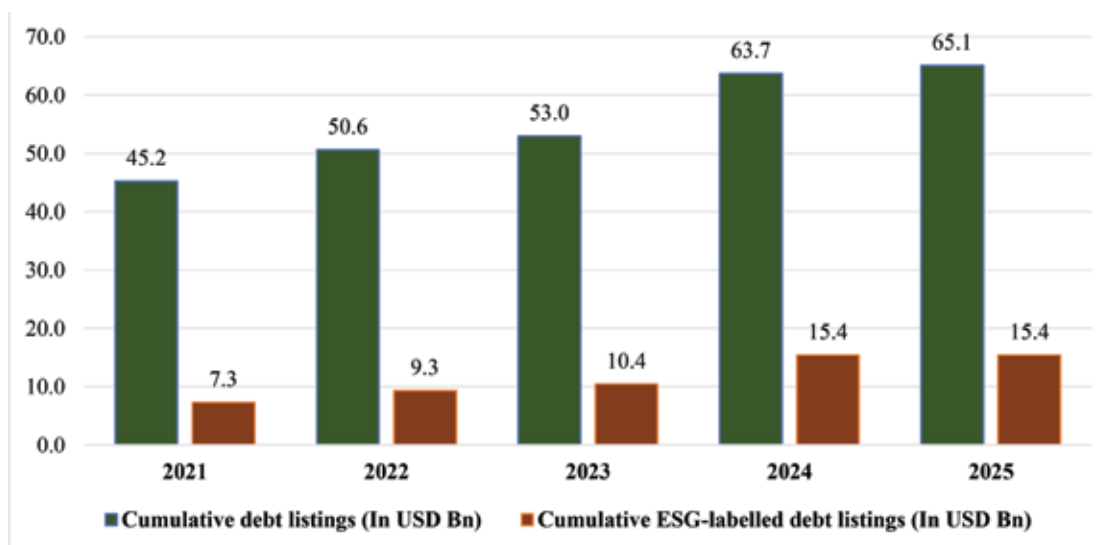
issuances. As illustrated in Figure 1, sustainable lending IBUs within IFSC have grown steadily, crossing USD 3.3 billion by 2025 (IFSCA, 2025). This growth is underpinned by policy mandates requiring a minimum ESG allocation and the development of board-approved ESG lending policies, which have encouraged banks and financial institutions to embed sustainability into their core credit strategies.



Source: Authors' Calculation

**Figure 1: Sustainable Transactions & Lending by IFSC-based IBUs**

Meanwhile, Figure 2 presents the parallel rise in ESG-labelled debt listings on IFSC exchanges. Total debt listings rose from USD 45 billion in 2021 to USD 65 billion in 2025, with the ESG-labelled segment expanding from USD 7 billion to over USD 15 billion during the same period (IFSCA, 2023, 2024, 2025). This growth reflects increasing issuer interest and investor demand for sustainable instruments, catalysed by the clarity and credibility provided through IFSCA's disclosure-aligned frameworks.



Source: Authors' Calculation

**Figure 1: Growth in ESG-labelled and Total Debt Listings on IFSC Exchanges**

Collectively, these trends demonstrate how IFSC is not only scaling up the volume of capital mobilised but also shifting its composition toward sustainability-oriented financial products. This dual momentum

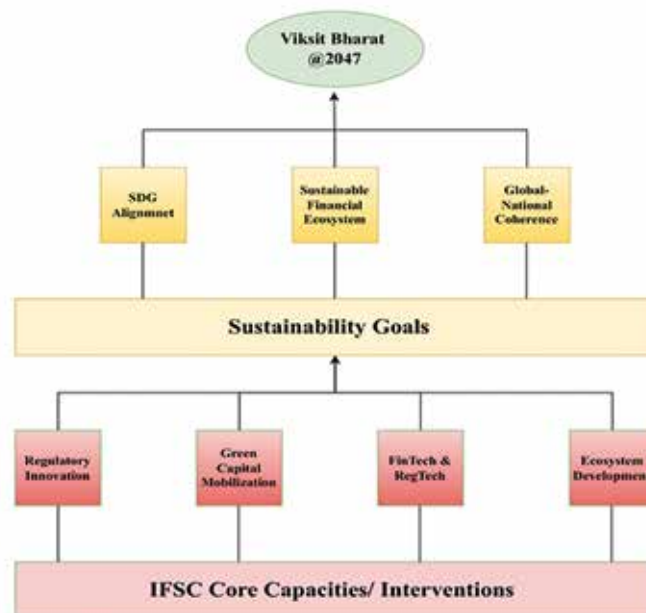
positions IFSC as a strategic enabler of India's green finance transition.

### IFSC AT THE INTERSECTION OF GLOBAL MANDATES AND NATIONAL AMBITIONS

The data visualisations in the previous section provide more than just numerical evidence—they reveal the emerging architecture of a sustainability-oriented financial ecosystem being built within the IFSC. The steady rise in ESG-labelled debt listings, increasing volume of sustainable credit by IBUs, and sectoral diversification in green financing collectively reflect a deliberate structural shift: IFSC is not only adopting green finance principles but is evolving into a strategic driver of India's

sustainable transformation.

To understand its role, we propose a multidimensional framework that links IFSC interventions to India's commitments to the UN Sustainable Development Goals (SDGs), global climate accords such as the Paris Agreement, and national-level environmental targets. The framework in Figure 3 revolves around *Viksit Bharat @2047*, India's aspirational goal of becoming a developed, resilient, and equitable nation by 2047. The IFSC, situated at the crossroads of global finance and national policy, serves as a financial fulcrum connecting international green capital flows with domestic sustainability priorities.



Source: Authors' Compilation

**Figure 3: IFSC–Sustainability Nexus Framework for India's Green Transformation**

Building on the emerging patterns of green capital mobilisation, the IFSC's interventions offer a structured pathway toward India's sustainable transformation. Instruments such as ESG-labelled debt listings, green and social bonds, sustainable IBU lending, and the upcoming voluntary carbon market framework reflect the centre's commitment to aligning finance with climate and development priorities.

At its core, the IFSC operates through four strategic capacities: regulatory innovation, green capital mobilisation, FinTech integration, and ecosystem development. Through forward-looking policies, such as ESG disclosure norms and transition finance frameworks, it channels global capital into India's low-carbon economy. FinTech and RegTech integration accelerates climate tech adoption, enhances impact measurement, and improves green risk analytics. Finally, ecosystem development is fostered through the growing presence of sustainable banks and fund managers, positioning IFSC as a vibrant hub for green finance.

These institutional tools translate into three critical pathways toward sustainable development. First, they support alignment with multiple SDGs, particularly SDG 13 (Climate Action), SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 8 (Decent Work and Economic Growth). Second, they contribute to the formation of a sustainable financial ecosystem that prioritises responsible investing and ESG integration. Third, they help ensure coherence between global sustainability frameworks and national climate policy.

Together, these developments point to a fundamental transformation of India's financial ecosystem, which is not just expanding, but internationalising, with IFSC at its epicentre. This framework shows that IFSC is not just a financial hub, but a transformational lever, translating ambition into action by making India's climate goals financially executable.

## CONCLUSION

The rise of the International Financial Services Centre represents a pivotal advancement in India's financial architecture, particularly in establishing the country as a significant global centre for sustainable finance and fintech innovation. Driven by proactive regulation, strategic international engagement, and deliberate ecosystem cultivation, the IFSCA has instituted critical frameworks that channel responsible capital towards environmental, social, and governance (ESG) objectives. Measures such as ESG-labelled bond issuances, sustainability-linked lending frameworks, emergent carbon markets, and regulatory sandboxes for fintech have translated regulatory intent into demonstrable market outcomes, stimulating both global participation and domestic capacity-building. The sustained increase in sustainability-focused lending by International Banking Units and the proliferation of ESG-oriented financial instruments under IFSCA oversight indicate the growing sophistication and legitimacy of India's green finance sector. These trends are of paramount importance as India attempts to meet its net-zero ambitions while

Forward-looking policies channel global capital into India's low-carbon economy through the IFSC

promoting equitable growth and systemic resilience. In conclusion, the integration of the IFSC's sustainable finance ecosystem with broader national climate and development priorities places India on a trajectory toward Viksit Bharat 2047 that is not merely economically robust, but also climate-aligned, inclusive, and internationally impactful—positioning India as a model for sustainable development in the coming decades.

MA

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# IFSCA AND TRANSITION FINANCING – A NEW SUNRISE FOR CMAs

## Abstract

IFSCA has recently approved the regulatory framework for the issue and listing of transition bonds, which are being mooted to bridge the funding gap faced by entities in the Hard-to-abate sectors for decarbonisation. The article explains the conceptual framework of Transition Bonds, which are a sub-set of ESG labelled securities, gives a broad overview of the framework governing the transition bonds and seeks to create awareness about the potential role for the CMA professionals. The main objective here is to further sensitise the ever-evolving opportunities which are awaiting the CMAs offering a unique value proposition. Similarly, IFSCA as a regulator may consider it worthwhile to look upon the CMA professionals as a valuable resource in this arena. The article may be considered as a reading material by Cost and Management professionals abroad when they deal with transition financing opportunities in their respective countries.

## Context and Introduction

India, as one of the 196 signatories to the Paris Agreement in 2015, has committed to targets limiting global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels, with a Net-Zero deadline of 2070. As on July 10, 2025, 139 countries, covering 78% of global Gross Domestic Product (GDP) based on Purchasing Power Parity (PPP) and 76% of global GHG emissions, have adopted Net-Zero targets and around 1198 of the largest 1974 publicly traded companies now have Net-Zero targets.<sup>1</sup> The staggering ground reality with respect to Net-Zero

<sup>1</sup> <https://zerotracker.net/>



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targets is that globally we are staring at a funding gap estimated at USD 75 trillion and as regards India, the funding requirement as per current estimates is USD 10 trillion.<sup>2</sup>

## ESG labelled debt securities

In the wake of awareness about Climate Change impacts and global warming, ESG labelled debt securities have shown significant traction, indicating the positive response of the investors to finance debt instruments floated by many governments and corporate entities for achieving net positive environmental and social impact.

<sup>2</sup> IFSCA Consultation Paper on “Framework for Transition Bonds” dated April 02, 2025

### *What are ESG labelled debt securities*

ESG-labelled debt securities are financial instruments in the form of bonds, issued for raising capital to fund projects that align with ESG criteria. The object of issuing these securities is to enable initiatives that address climate change, social inequality, and other sustainability goals, while at the same time generating some returns on their investments that are reasonable enough to attract the investors.

### *Types of ESG labelled debt securities*

Basically, there are four types of ESG labelled debt securities as under: -

Type	Focus
Green Bonds	Environmental Projects
Social Bonds	Social Impact Initiative / Projects
Sustainability Bonds	Combination of Environmental and Social Goals
Sustainability Linked Bonds	Interest rate linked to ESG performance of Issuer

*Source: IFSCA Consultation Paper on “Framework for Transition Bonds” dated April 02, 2025*

As at end Q3 2024, cumulative listing of ESG labelled debt securities stood at USD 5.4 Trillion, with break-up as under<sup>3</sup>: -

Category	Cumulative Since 2006 (USD bn)	% to Total
<b>Green Bonds</b>	3366.3	61.98%
<b>Social Bonds</b>	1052.9	19.39%
<b>Sustainability Bonds</b>	956.5	17.61%
<b>Sustainability-linked bonds</b>	55.4	1.02%
<b>Total</b>	<b>5431.1</b>	<b>100.00%</b>

*Source: IFSCA Consultation Paper on “Framework for Transition Bonds” dated April 02, 2025*

<sup>3</sup> Ibid ...

There is no doubt about the role of the ESG labelled debt securities so far in channelisation of much needed funds for climate finance. However, when one looks at the sectors in receipt of green funding, it is noticed that they are concentrated to sectors or projects that are at or near Net Zero. Sectors such as Energy, Building and Transport are estimated to have received around 75% of the green funding. On the other hand, sectors such as Mining, Steel, Cement, Heavy duty Transport, Aviation and the like believed to be contributing to 40% of Greenhouse Gases (GHG) globally are facing difficulties in having access to finance. And from the point of view of the respective economies, particularly developing countries which have to give priority to basic industrialisation, de-carbonisation is accorded lower priority. This limits the amount of funds available for de-carbonisation of the sectors to be categorised as “Hard to Abate”. De-carbonisation of such “Hard to Abate” sectors is a pre-requisite to achieve “Net Zero” goals. It is here that financing through Transition Bonds has the potential to bridge the gap.

### **Transition Bonds**

Transition Bonds as a source of financing De-Carbonisation projects can be traced to July 2017, when Castle Peak Power Finance Company Limited, based in Hong Kong raised US\$ 500 Million in the first instance to finance its 550 MW combined cycle gas turbine unit. As a follow-up, the said company raised US\$ 650 Million in two tranches in June 2020 of US\$ 350 Million and in February 2021 of US\$ 300 Million respectively to finance projects for transition to lower carbon energy sources.

Transition bonds are basically debt securities issued by companies operating in sectors where Carbonisation is “Hard to Abate”. It helps them to finance projects that facilitate their transition to more sustainable business models or to reduce their environmental impact, including in terms of reducing their greenhouse gas emissions.<sup>4</sup>

Transition bonds are relevant as a means of financing for industries with significant carbon footprints, helping them move towards a lower-carbon future

<sup>4</sup> <https://bpp.sustainabilityunlocked.com/discover/glossary/transition-bonds>

What distinguishes Transition Bonds from Green Bonds is in their focus. While Green Bonds are used to finance projects with clear, pre-existing environmental benefits, Transition bonds are designed to support companies in their journey to reduce their environmental impact including de-carbonisation, even if their current emission levels are high.

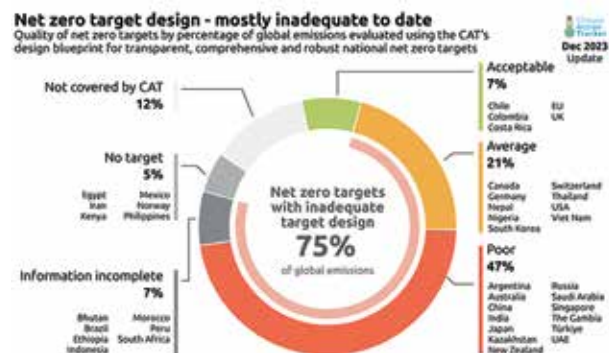
Transition bonds also differ from Sustainability Bonds in the sense that they are a subset of sustainable finance options and focusses on tackling the challenges of decarbonizing carbon-intensive industries, while Sustainability Bonds can be issued to finance projects having environmental as well as social focus.

### Transition Bonds – Performance and Future Outlook

Consequent to increasing demand for sustainable finance and stakeholder pressures, the size of global transition bond market is estimated at USD 42.8 billion in 2024.<sup>5</sup> It is projected that the market is set to grow to a level of USD 297.6 billion in 2033, denoting a CAGR of 21.7%. As governments and business entities pursue their ESG strategy working towards Net-Zero targets the projected growth is encouraging. However, it has been noticed that as of date, Transition Bonds account for less than 1% of the total ESG labelled Debt market. It appears that concrete steps are required to be taken to address the challenges engulfing the Transition Bonds and also make it a more attractive option to really achieve the projected numbers, apart from evaluating at a micro level, whether the projects are capable to achieve the targeted de-carbonisation towards Net-Zero.

It is incumbent upon the governments and the regulators in the respective jurisdictions to ensure that there is a proper framework for Net-Zero target design, which is a pre-requisite to assess the progress at the micro level. Climate Action Tracker (CAT) had carried out a “good practice” net zero analysis which covered the design of net zero targets of various countries. It has highlighted that Net Zero targets with inadequate target design constituted 75% of global emissions remains insufficient. Only five of the 41 countries covered by the CAT, responsible for 7% of global GHG

emissions, have defined their net zero targets in a manner the CAT rates as ‘acceptable’ in terms of scope, architecture, and transparency. Another nine countries, responsible for 21% of global emissions, fall into the ‘average’ category.<sup>6</sup>



**Source:** [https://climateactiontracker.org/global/cat-net-zero-target-evaluations/#section\\_\\_country-evaluations-as-of-november-2023](https://climateactiontracker.org/global/cat-net-zero-target-evaluations/#section__country-evaluations-as-of-november-2023)

It can be seen that India is up against the need for a gigantic mission with respect to converting Net-Zero targets into policies and actions that will truly result in reduction of emissions. This is also true for most of the countries including developed nations.

### IFSCA and Transition Bonds

The International Financial Services Centres Authority (IFSCA) is actively promoting transition bonds within the Gujarat International Finance Tec-City (GIFT City) to facilitate India's shift towards a sustainable economy. IFSCA aims to position GIFT City as a global hub for sustainable finance, attracting international capital to support India's net-zero ambitions and Sustainable Development Goals (SDGs). IFSCA recognizes the importance of transition finance to help “hard-to-abate” sectors reduce their emissions.

On April 02, 2025 the IFSCA released a consultation paper outlining the proposed regulatory framework for Transition Bonds seeking public comments by April 29, 2025. On June 24, 2025, the IFSCA approved the issue of framework for issuance and listing of the Transition Bonds under the IFSCA (Listing) Regulations, 2024. The “Framework for Transition Bonds”

<sup>6</sup> [https://climateactiontracker.org/global/cat-net-zero-target-evaluations/#section\\_\\_country-evaluations-as-of-november-2023](https://climateactiontracker.org/global/cat-net-zero-target-evaluations/#section__country-evaluations-as-of-november-2023)

<sup>5</sup> <https://growthmarketreports.com/report/transition-bond-market>

was prepared based on the recommendations of the Expert Committee on Climate Finance set up by the IFSCA, public comments in response to the consultation paper released on the said April 02, further analysis of the global development on the subject, and keeping in mind the needs of developing countries such as India.

### **IFSCA framework for transition bonds - Key Aspects**

The following are some of the key features of the IFSCA framework for transition bonds: -

#### ***1. Credible Transition Plans:***

Issuers must ensure that they have a credible and well-defined transition plan which is aligned with the Paris Agreement goals.

#### ***2. SMART targets:***

The transition plan must outline specific, measurable, achievable, relevant, and time-bound (SMART) targets for reduction of emission.

#### ***3. Alignment with Global Standards:***

Transition plans as well as projects sought to be funded by transition bonds must be in alignment with globally recognized taxonomies, so that it is possible to compare transition efforts across jurisdictions.

As per IFSCA framework, the activities of the project should be classified under “Transition” by any one of the following technology roadmaps / taxonomies: -

- i. ASEAN Taxonomy for Sustainable Finance ;
- ii. Climate Bonds Taxonomy ;
- iii. EU taxonomy for Sustainable Activities ;
- iv. Singapore-Asia Taxonomy for Sustainable Finance ;
- v. Japan (Technology Roadmap for Transition Finance) ;
- vi. Taxonomy(ies) specified by Government of India and
- vii. Any other taxonomy recognised by IFSCA.

#### ***4. Independent External Review:***

Independent external review of the Issuer’s transition plan and the projects funded through

transition bonds should be carried out by a third party having knowledge of the relevant industry and expertise in climate finance.

The independent external review may take one or more of the following forms: -

- a. Second Party Opinion ;
- b. Certification ;
- c. Verification and
- d. Scoring / Rating

The purpose of the independent external review is to mitigate the risk of Greenwashing and to ensure that proceeds of transition bonds are deployed for genuine de-carbonisation and not for superficial green initiatives.

#### ***5. Disclosure Requirements:***

Issuers of transition bond shall make comprehensive disclosures both at the time of issue of the bond as well as on an annual basis throughout the life of the bond. The following disclosures are included: -

- a. Details on the transition plan of the Issuer ;
- b. The use of proceeds ;
- c. The environmental impact of the projects financed and
- d. The progress towards achieving the targeted emission reduction.

#### ***6. Focus on Hard-to-Abate Sectors:***

The framework is meant for hard-to-abate sectors such as Steel, Cement, Aviation, Shipping and Heavy-Duty transportation all of which are known to contribute significantly to greenhouse gas emissions and face challenges in decarbonization.

It is significant to note that the IFSCA framework is more or less in line with the SEBI regulations for transition bonds. Transition Bonds are a sub-category of green debt securities under the SEBI framework. SEBI also mandates disclosure of a transition plan and a “Parivartan” score in order to make an assessment of the velocity of investments in achieving net-zero targets.

#### **Role of Sustainable Standards Board of ICAI**

The Institute of Cost Accountants of India (ICMAI) constituted the Sustainability Standards

Board (SSB) in the year 2022 with the object of enabling and equipping the Cost and Management Accountants (CMA's) to play an active role in the ESG domain namely Sustainability Reporting / Assurance functions, Climate finance, ESG Assessments, ESG Due Diligence, ESG Ratings and other emerging areas as and when they come.

Further SSB has come out with standards namely ISS1 and ISS2 which while drawing upon the relevant features of global frameworks such as IFRS, GRIs and TCFD carries a unique focus by incorporating cost and management accounting dimensions. SSB conducts training and capacity building programmes in addition to research initiatives which are beneficial for the industry. Going forward these initiatives should be made more inclusive.

The SSB can play a stellar role by coming out with guidance notes on reporting frameworks, standards and taxonomies in the ESG and Sustainability domain, with the object of promoting a structured approach to Sustainability accounting, disclosures, reporting and assurance functions which aligns with the regulatory framework evolved and being evolved from time to time by IFSCA.

### What IFSCA can look forward from Cost and Management Accountants (CMAs)

The IFSCA having initiated a robust framework to facilitate the growth of ESG labelled securities has embarked on the various steps for building a propitious regulatory environment. It has also taken steps for boosting involvement of fintech in the domain of sustainable finance as also working on making available various incentives for the flow of green finance for sustainable development. CMA professionals are best equipped to check and interpret the disclosures of the Issuer and enable the reliable reporting of ESG KPIs, which are the corner stones based on which progress of Sustainable development initiatives can be monitored. The authors are of the strong view that there is ample scope for IFSCA to utilise the expertise of professionals having CMA background in their endeavour to have in place a world class regulatory framework which apart from promoting Ease of doing Business also promotes sustainability initiatives not only in India, but also in the global south.

After all as is always said *“Behind Every Successful Business Decision, there is always a CMA”*, which will be proved true in the coming times. **MA**

## NOTES FOR AUTHORS

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

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# GIFT CITY IFSC AND ITS ROLE IN TRANSFORMING CORPORATE TREASURY OPERATIONS

## Abstract

Gujarat International Finance-Tec (GIFT) City spans 886 acres, out of which 261 acres belong to a Multi-Service Special Economic Zone (SEZ) which is India's first International Financial Services Centre (IFSC) and 625 acres belong to an exclusive Domestic Tariff Area (DTA). As of now, there are three treasury centres registered with GIFT City IFSC, namely, IOC Global Capital Management IFSC Limited (parent company being Indian Oil Corporation Limited), OVL Overseas IFSC Limited (parent company being ONGC Videsh Limited), and AMNS Global Treasury Centre IFSC Private Limited (parent company being ArcelorMittal-Nippon Steel Luxembourg). This article explores how the GIFT City IFSC enables the establishment and smooth functioning of the Global/Regional Corporate Treasury Centres (G/RCTCs) through a conducive regulatory regime in the specific instances of the aforementioned treasury centres as well as summarizes the tax concessions available to such treasury centres.

## INTRODUCTION

In a multi-national company, a treasury centre typically performs the role of an in-house financial intermediary. It helps in centralized management of the company's funds and in the use of global funds within the entire group. Through its circular (No. F. No. 331/IFSCA/GRCTC/2021-22 dated 25 June 2021), the International Financial Services Centres Authority (IFSCA) has notified a framework that a finance company/finance unit can follow if it wants to undertake the activities of a global/regional corporate treasury centre. Under



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this framework, finance companies or finance units registered with the GIFT City IFSC are allowed to perform treasury activities and render treasury services for group entities from the IFSC.

## TREASURY CENTRES REGISTERED WITH GIFT CITY IFSC

Gujarat International Finance-Tec (GIFT) City IFSC helps the establishment of finance companies, including those that conduct corporate treasury operations. Besides financial companies, non-financial companies can also set up corporate treasury centres in GIFT City IFSC. Setting up of corporate treasury centres in GIFT City IFSC is not limited just to the Indian multi-national companies but also possible for companies from outside of India. Again, it does not matter whether a company wishing to set up its corporate treasury centre is a public company or a private company. For instance, Indian Oil Corporation Limited is an Indian public sector undertaking and it established a finance company named IOC Global Capital Management IFSC Limited to handle its global treasury operations. Similarly, ArcelorMittal Nippon, a 60:40 joint venture between Luxembourg based ArcelorMittal and Japan-based Nippon Steel Corp has established a finance company, AMNS Global Treasury Centre IFSC Private Limited. Likewise, ONGC Videsh Limited has set up OVL Overseas IFSC Limited.

These IFSC entities act as global treasury centres, besides supporting the parent company's capital requirements for expansion. Supportive regulatory framework and tax incentives have made it possible for the companies to commence their global treasury centres in GIFT City IFSC in record time.

### REGULATORY FRAMEWORK SUPPORTIVE TO THE ESTABLISHMENT OF TREASURY CENTRES

Three instances of corporate treasury centres have been mentioned in this article. In the paragraphs below, we take a quick look at these instances to understand their experience with GIFT City IFSC.

**IOC Global Capital Management IFSC Limited:** Indian Oil Corporation Limited became the first commercial non-finance company to establish this finance company as GIFT City IFSC. In July 2022, the company officials visited GIFT City to identify office space, met with the officials from the IFSCA, sought regulatory approvals from the Reserve Bank of India (RBI) and other authorities. In August 2022, the Ministry of Finance and the RBI notified Overseas Direct Investment (ODI) regulations. In September 2022, the company moved for Board approval following which the company received three important approvals in early 2023. These were NITI Aayog approval in February 2023, approval from the Department of Investment and Public Asset Management (DIPAM) in April 2023 and approval from Ministry of Petroleum and Natural Gas also in April 2023. Then, in May 2023, IOC Global Capital Management IFSC Limited was incorporated as a finance company. In August 2023, the certificate of registration was received from IFSCA. By the end of November 2023, this newly incorporated company had its physical office ready in the GIFT City IFSC.

**OVL Overseas IFSC Limited:** ONGC Videsh Limited was able to get started with its finance company OVL Overseas IFSC Limited in a record time of approximately 45 days from receiving the NITI Aayog approval. This approval came in November 2023 and in a fortnight's time the incorporation certificate was received from the Ministry of Corporate Affairs (MCA). In about 10 days after this, 'in-principle' approval from the IFSCA was received and in an additional 10 days, the company office was up and running.

**AMNS Global Treasury Centre IFSC Private**

**Limited:** The finance company was incorporated in August 2024 and in the same month an application was submitted to SEZ and IFSCA. The letter of allotment from SEZ was received in the same month. Subsequently, 'in-principle' approval from the IFSCA was received in September 2024. In the same month, the company obtained GST registration, executed Bond-cum-Legal Undertaking, obtained an EXIM Code and Registration-cum-Membership Certificate, and signed a lease deed. In October 2024, the company got the certificate of registration from IFSCA and commenced business soon after. It is worth noting that while the GIFT City IFSC, by this time, had gathered experience with helping public sector undertakings set up their global treasury centres, in case of ArcelorMittal Nippon a global treasury centre was being set up by a private company and there was limited guidance as to the best practices applicable in the case of private companies. Despite this, the process of setting up the finance company was quick.

In each of the instances above, it took less than a year for the finance companies to be set up once the parent companies initiated the process. This speaks to the efficiency with which the entire process of setting up the finance company was handled in each of the instances.

### TAX BENEFITS RELEVANT TO TREASURY CENTRES

There are several tax benefits that the treasury centre entities registered in the IFSC can avail. Some of these are explained below.

**Tax Holiday:** IFSC-registered entities can avail of 100% income tax exemption for a period of 10 consecutive years within a 15-year block. For a company incorporated within the IFSC with the purpose of carrying out treasury centre activities, the tax holiday would lead to more cash being available that can be ploughed back into the company's subsequent years of operations.

**Less or no Minimum Alternate Tax (MAT):** IFSC-registered entities are subject to a lower MAT rate of 9% (instead of 15% that applies elsewhere within India) of their book profits. Additionally, MAT is not applicable in case of IFSC-registered entities option for the new tax regime. A treasury centre established within the IFSC would benefit from a lower or no MAT rate as it would mean more available cash at

its disposal.

**Considerations and concerns around thin capitalization and deemed dividends:**

Often, parent companies intend to set up subsidiaries in foreign countries in such a way that these subsidiaries are thinly capitalized. The idea is to have these subsidiaries carry more debt funding vis-à-vis equity funding from the parent and repatriate most of their income to the parent in the form of interest on the said debt. This interest expense helps a subsidiary reduce its tax liability in the jurisdiction it operates in while effectively letting it transfer its earnings to the parent company through interest payments. Therefore, countries may either (1) require the parent to fund its subsidiary more by way of equity funding or (2) limit the interest deductions allowable to the subsidiary. Some countries may also treat the interest payments paid by the subsidiary to the parent company as deemed dividends to the parent company and this would give the countries the right to charge appropriate taxes. However, in case of an entity registered with the IFSC, exemption is granted from Section 94B of the Income Tax Act (IT Act) which limits deductible interest expenses for thinly capitalized firms. This exemption from the applicability of Section 94B of the IT Act encourages foreign companies to set up a subsidiary in the GIFT City IFSC to operate as a global treasury centre.

**Goods and Service Tax (GST) not applicable:**

No GST applies on services exchanged between IFSC-registered entities or on services received by an IFSC-registered entity or on services provided by IFSC-registered entities to India. This means, no GST applies on the export of treasury services.

**No withholding tax on interest paid by IFSC-registered entities to offshore lenders:** Since interest income received by a non-resident lender from an IFSC-registered entity is not subject to withholding taxes, the non-resident lender will be more inclined to lend to the IFSC-registered entity. Such an entity will, therefore, find it easier to raise borrowed funds from its parent company/other companies that are from outside of India.

The article covers regulatory and tax frameworks using examples of corporate treasury operations that have been successfully set up within the GIFT City IFSC

**Exemption from Foreign Exchange Management Act (FEMA) regulations:** Treasury centres stand to benefit from dealing in foreign currency without coming under the purview of FEMA regulations for transactions done outside India.

It is worth noting that the tax concessions being made available to companies being set up in GIFT City IFSC are significant in value and quite generous.

## CONCLUSION

It is evident that supportive regulatory framework and relaxed tax framework applicable to IFSC-registered entities in general has led to tremendous opportunities for companies in several areas. As far as the treasury operations are concerned, both Indian as well as foreign companies have an opportunity to centralize their treasury activities by setting up global/regional corporate treasury centres to raise funds, manage liquidity, avail tax benefits, and also manage risk. In sum and substance, GIFT City IFSC intends to play a significant role in transforming corporate treasury operations. However, the possibility of abuse of the facilitative regulatory and tax regime by companies cannot be ruled out. Therefore, regulatory oversight will have to be robust at all times to make sure that companies do not take undue advantage of the supportive regulatory regime and the tax concessions being made available to them. **MA**

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# IFSC AS INDIA'S FINANCIAL GATEWAY: FUNCTIONS, IMPACT, AND FUTURE OUTLOOK

## Abstract

The International Financial Services Centres Authority (IFSCA) serves as the unified regulator for India's International Financial Services Centres (IFSCs), with GIFT City, Gujarat, as its flagship. Established under the IFSCA Act, 2019, IFSCA consolidates regulatory powers previously held by sectoral regulators such as the RBI, SEBI, IRDAI, and PFRDA. Its core mandate encompasses licensing, framing and enforcing regulations, market development, dispute resolution, and fostering international cooperation across financial sectors—banking, insurance, capital markets, asset management and fintech. By providing a single-window regulatory framework, IFSCA streamlines approvals and reduces compliance complexity, while actively promoting innovation through regulatory sandboxes and aligning local practices with global standards. This integrated approach has positioned IFSC as a dominant gateway for international financial flows, attracting global capital, supporting fintech growth, and strengthening India's integration with global markets. IFSCA's comprehensive regulatory strategy is building a robust, world-class financial ecosystem at GIFT City.

## Introduction

India's ambition to become a global financial powerhouse has taken a significant leap with the establishment of the International Financial Services Centre (IFSC) at GIFT City. The IFSC is designed to bring back offshore financial transactions to India, provide world-class financial



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services, and serve as a bridge between India and global markets. At the heart of this initiative is the International Financial Services Centres Authority (IFSCA), a unified regulator that has transformed the regulatory landscape for international finance in India.

The regulatory functions of IFSCA are paramount to the credibility, growth, and global competitiveness of IFSC. By providing a single-window regulatory framework, IFSCA has cultivated an environment that is both business-friendly and robust in governance. This article delves into the regulatory architecture, enforcement mechanisms, innovation strategies, and the broader impact of IFSCA on India's financial sector, exploring how its integrated and progressive approach positions IFSC as a leading hub for international financial flows.

## The Establishment and Mandate of IFSCA

### 1. Genesis of IFSCA

Before the establishment of IFSCA, financial activities in IFSCs were regulated by multiple agencies:

- ☉ The Reserve Bank of India (RBI) regulates

banking activities.

- ⊙ The Securities and Exchange Board of India (SEBI) regulates capital markets.
- ⊙ The Insurance Regulatory and Development Authority of India (IRDAI) regulates insurance.
- ⊙ The Pension Fund Regulatory and Development Authority (PFRDA) regulates pensions.

This fragmented approach created regulatory overlaps, delays, and uncertainty for businesses. Recognizing the need for a unified approach, the Government of India enacted the International Financial Services Centres Authority Act, 2019. IFSCA was constituted in April 2020 as a statutory authority, with a mandate to regulate and develop financial services, products, and institutions in IFSCs.

## 2. Mandate and Vision

IFSCA's vision is to develop IFSCs as world-class financial centers, comparable to London, Singapore, and Dubai. Its mandate includes:

- ⊙ **Unified Regulation:** IFSCA is the sole authority regulating banking, capital markets, insurance, fund management, and fintech within IFSCs.
- ⊙ **Market Development:** Promote innovation, new products, and global best practices.
- ⊙ **Investor Protection:** Ensure transparency, fairness, and high standards of governance.
- ⊙ **World-Class Ecosystem:** Establishing a conducive environment supported by modern infrastructure, technology, and a skilled workforce.
- ⊙ **Ease of Doing Business:** Streamline approvals, reduce compliance burdens, and foster a business-friendly environment.
- ⊙ **Dominant Gateway:** Facilitating efficient capital flows, positioning IFSCs as a key conduit for global investment.
- ⊙ **Sustainable Finance:** Encourage green finance, ESG investments, and responsible business practices.

## Core Regulatory Functions of IFSCA

IFSCA's regulatory functions are broad, covering the entire spectrum of financial services. The following sections elaborate on these core functions.

## 1. Licensing and Registration

IFSCA is empowered to grant licenses to a wide range of financial entities, including:

- ⊙ Banks (both Indian and foreign)
- ⊙ Insurance companies
- ⊙ Capital market intermediaries
- ⊙ Fund managers (mutual funds, Alternative Investment Funds, portfolio managers)
- ⊙ Fintech startups
- ⊙ Ancillary service providers (legal, accounting, compliance, IT)

## Licensing Process

The licensing process is designed to be transparent, time-bound, and efficient:

- ⊙ **Eligibility:** Applicants must meet capital adequacy, governance, and operational standards.
- ⊙ **Due Diligence:** IFSCA reviews background and business models.
- ⊙ **Approval:** Licenses granted with clear terms and compliance requirements.
- ⊙ **Renewal and Revocation:** Licenses are subject to periodic review and can be revoked for non-compliance.

## Impact of Licensing

Since its inception, IFSCA has licensed over 700 entities at GIFT City, including leading Indian and global banks, insurance companies, asset managers, and fintech firms. This has positioned IFSC as a magnet for international capital and expertise.

## 2. Framing Regulations

IFSCA frames comprehensive regulations to govern financial activities within IFSCs:

- ⊙ **Banking:**  
Sets capital adequacy and risk management standards, enforces strict anti-money laundering (AML) and Know Your Customer (KYC) norms, and ensures robust oversight for all banking operations in line with global practices.
- ⊙ **Capital Markets :**  
Regulates listing, trading, and settlement of securities; sets rules for intermediaries like brokers and investment bankers; and enforces strong disclosure and investor protection

standards.

⊙ **Insurance:**

Prescribes solvency margins, product approval processes, efficient claims management, and strict corporate governance for insurers and reinsurers.

⊙ **Fund Management:**

Governs registration and operations of mutual funds, AIFs, and portfolio managers, with clear compliance, disclosure, and risk management requirements.

⊙ **Fintech:**

Encourages innovation through regulatory sandboxes, supports digital onboarding, and mandates strong cybersecurity measures for all fintech activities.

### Notable Regulations

- ⊙ **IFSCA (Banking) Regulations, 2020**
- ⊙ **IFSCA (Capital Market Intermediaries) Regulations, 2021**
- ⊙ **IFSCA (Fund Management) Regulations, 2022 & 2025**
- ⊙ **IFSCA (Insurance Business) Regulations, 2021**
- ⊙ **IFSCA (FinTech Incentive Scheme) Regulations, 2022**

IFSCA regularly updates its regulations to keep pace with global trends. For example, the 2025 update to Fund Management Regulations introduced simplified onboarding, enhanced investor protection, and ESG compliance requirements.

### 3. Supervision and Enforcement

IFSCA ensures compliance through:

- ⊙ **Regular Inspections:** IFSCA employs a risk-based supervisory approach, monitoring regulated entities through off-site surveillance and on-site inspections.
- ⊙ **Surprise Audits:** Unannounced checks to verify operational substance.
- ⊙ **Monitoring:** Ongoing scrutiny of financial health, risk exposure, and governance.
- ⊙ **Data Protection and Cybersecurity:** With the rise of digital finance, IFSCA places a strong emphasis on robust data protection

and cybersecurity frameworks, ensuring the integrity and security of financial transactions and client information within the IFSC.

### Enforcement Actions

IFSCA has a graduated enforcement framework:

- ⊙ **Advisories and Warnings:** For minor lapses or first-time non-compliance.
- ⊙ **Penalties:** Monetary fines for repeated or serious violations.
- ⊙ **License Suspension/Cancellation:** For persistent or grave breaches.
- ⊙ **Public Disclosure:** Naming and shaming of defaulters to deter misconduct.

### Recent Case Studies

#### Ancillary Service Provider Warning (2024):

Ancillary service provider warned for serving ineligible clients and directed to rectify tax benefits claimed.

#### Fund Manager Warning (2025):

A fund manager was warned for a lack of key personnel during an inspection.

#### License Cancellation:

License cancellation for a finance company failing to meet capital requirements and for an insurance broker engaged in unauthorized business and misreporting.

### Market Development and Innovation

#### 1. Regulatory Sandboxes

IFSCA encourages innovation through regulatory sandboxes, allowing fintechs and financial institutions to test new products in a controlled environment. This approach:

- ⊙ Reduces time-to-market,
- ⊙ Identifies regulatory gaps,
- ⊙ Ensures consumer protection during experimentation.

#### Examples of Sandbox Innovations

- ⊙ **Blockchain-based Remittance Platforms:** Several startups have piloted blockchain remittance solutions, reducing costs and settlement times for cross-border payments.
- ⊙ **AI-driven Wealth Management:** Robo-advisory platforms have been tested and refined in the sandbox, leading to broader market adoption.

## 2. FinTech Incentive Schemes

IFSCA offers grants, proof-of-concept funding, and accelerator support to fintech startups, both Indian and foreign, to promote research, development, and global expansion.

## 3. Informal Guidance Scheme

Launched in 2024, this scheme provides clarity on legal and regulatory issues, enabling businesses to make informed decisions and reducing regulatory uncertainty.

## 4. Ease of Doing Business

- ⊙ **Single-Window Clearance:** Streamlined approvals for business setup.
- ⊙ **Digital Processes:** Online licensing, reporting, and compliance.
- ⊙ **Reduced Red Tape:** Simplified documentation and clear timelines.
- ⊙ **Tax Benefits:** Businesses in IFSC also benefit from attractive tax incentives, including exemptions on various income streams and long-term capital gains, making it a competitive global financial hub.

## Dispute Resolution and Investor Protection

### 1. Dispute Resolution Mechanisms

IFSCA provides mechanisms for resolving disputes arising within IFSC, including:

- ⊙ **Arbitration and Mediation:** For contractual and commercial disputes.
- ⊙ **Ombudsman Services:** For investor grievances.
- ⊙ **Cross-Border Dispute Resolution:** In collaboration with international bodies.

### 2. Investor Protection

- ⊙ **Disclosure Norms:** Stringent requirements for transparency.
- ⊙ **Corporate Governance:** Board independence, audit committees, and risk management.
- ⊙ **Whistleblower Mechanisms:** Protection for reporting misconduct.
- ⊙ **Investor Education Initiatives:** IFSCA has launched investor awareness programs, online resources, and regular outreach events to educate investors about risks and rights in the IFSC ecosystem.

## International Cooperation and Alignment

IFSCA actively collaborates with global regulators and international organizations to:

- ⊙ Align IFSC standards with international best practices,
- ⊙ Facilitate cross-border supervision and enforcement,
- ⊙ Promote India's IFSC as a credible and competitive global financial hub.

## Recent MOUs and Global Engagements

- ⊙ **Singapore:** Collaboration on fintech innovation and regulatory best practices.
- ⊙ **UK:** Joint initiatives on green finance and ESG standards.
- ⊙ **UAE:** Cross-border investment facilitation and dispute resolution cooperation.

## Impact on India's Financial Sector

### 1. IFSC-Specific Impact

#### ⊙ Elevating Global Competitiveness:

IFSCA's regulatory framework matches the standards of leading financial centers, making India attractive for global financial institutions.

#### ⊙ Attracting Global Capital:

The business-friendly environment has led to a surge in global capital inflows, with over 700 entities registered at GIFT IFSC as of 2025.

#### ⊙ Supporting Fintech Growth:

India is now the third-largest fintech market globally, and IFSC's innovation-friendly policies have accelerated digital banking, alternative lending, and wealth-tech solutions.

#### ⊙ Ensuring Market Integrity:

Strong supervision and transparent enforcement boost investor confidence and market integrity, ensuring only genuine, well-governed entities operate in IFSC.

#### ⊙ Promoting Sustainable Growth:

IFSCA's focus on operational substance ensures genuine, sustainable growth.

### 2. Broader Sectoral Growth: Key National Indicators

India's financial sector has witnessed remarkable

growth, driven by digitalization, innovation, and regulatory reforms:

#### Digital Payments:

India leads the world in digital payments, with the Unified Payments Interface (UPI) alone processing **over 18 billion transactions monthly as of June 2025**. Total digital payment volume in FY 2023-24 reached 187.37 billion transactions, valued at ₹3,659 lakh crore, reflecting a 44% CAGR in volume over seven years. (Source 5, 6)

#### Financial Inclusion:

Significant progress is evident with the RBI's Financial Inclusion Index rising from 53.9 in March 2021 to 64.2 in March 2024, underscoring expanding access to financial services, especially in rural areas. (Source 7)

#### Banking Sector Performance:

Gross NPAs of banks fell to a 12-year low of 2.6% by September 2024, with profits after tax rising 22.2% year-on-year in the first half of FY25. Aggregate bank deposits grew 11.1% year-on-year as of November 2024. (Source 8).

#### Fintech Growth:

India stands as the third-largest fintech market globally, attracting \$889 million in funding during the first half of 2025. The sector continues its innovative expansion, driven by new business models and sustained investor confidence. (Source 9)

#### Capital Markets:

The investor base doubled from 4.9 crore in FY20 to 13.2 crore by end-2024, while equity and debt markets raised ₹11.1 lakh crore (April–December 2024), up 5% year-on-year. (source 8 & 10).

### Challenges and the Way Forward

#### ⊙ Balancing Innovation and Regulation

IFSCA must foster innovation without compromising financial stability. Regulatory sandboxes and continuous stakeholder engagement are key tools.

#### ⊙ Managing Complexity

Cross-border transactions, evolving fintech

By providing a single-window regulatory framework, IFSCA positions IFSC as a leading global gateway, attracting international capital and promoting India's integration with global financial markets

models, and global standards require dynamic rule-making and robust IT infrastructure.

#### ⊙ Ensuring Substance over Form

IFSCA must ensure that entities have genuine business operations in IFSC, not just a legal presence for regulatory or tax benefits.

#### ⊙ Building Talent and Infrastructure

Sustained investment in world-class infrastructure and skilled professionals is essential to maintain IFSC's growth.

#### ⊙ Adapting to Global Trends

IFSCA must stay ahead of trends in ESG (Environmental, Social, Governance), sustainable finance, and digital assets to remain globally relevant.

### Future Outlook

India's IFSC, under IFSCA's guidance, is poised to become a leading global financial hub, focusing on:-

- ⊙ **Regulatory Evolution:** IFSCA will keep updating its frameworks to accommodate new financial products and technologies, adopting flexible, principle-based regulations that respond swiftly to market changes.
- ⊙ **Digital Transformation:** The focus will be on fostering fintech innovation via expanded regulatory sandboxes, enhancing digital infrastructure, and simplifying digital onboarding to attract global investors.
- ⊙ **International Cooperation:** Strengthening ties with global regulators for cross-border transactions and international standards (ESG, AML, and data privacy).
- ⊙ **Market Diversification:** IFSC will introduce new asset classes like digital assets and green finance, promote direct listings, and develop niche sectors such as aircraft leasing and bullion trading.
- ⊙ **Talent and Ecosystem Development:** Efforts to build skilled human capital and robust ancillary services will create a comprehensive

financial ecosystem.

- ⊙ **Sustainability Focus:** Promoting green finance and enforcing ESG reporting will align IFSC with global sustainability goals.
- ⊙ **Challenges:** Balancing innovation with market integrity, ensuring genuine operations, and maintaining global competitiveness.

### Conclusion

The International Financial Services Centres Authority (IFSCA) has undeniably emerged as a pivotal force in establishing India's IFSCs as a dominant gateway for the nation's financial sector. Through unified regulation, proactive enforcement, and continuous innovation, IFSCA ensures that IFSC, GIFT City, offers a secure, transparent, and globally competitive environment for financial services. This regulatory strength is the foundation for IFSC's growing stature as India's bridge to the world's financial markets. As IFSC continues to evolve, IFSCA's ability to balance development and governance will be crucial in sustaining its reputation and realizing its vision of becoming a world-class financial hub. While challenges persist in a highly competitive global landscape, IFSCA's principled approach, focus on technology, and continuous pursuit of regulatory excellence position India's IFSCs at the forefront of the global financial stage, truly emerging as a critical conduit for international capital and financial innovation. **MA**

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## Corporate Corner

# Congratulations!!!



**CMA Shashin Raval**

Our heartiest congratulations to CMA Shashin Raval on being promoted to the post of Director of Pension and Provident Fund, Government of Gujarat, the highest level of Gujarat Accounts Service Cadre.

During his stint with the Government of Gujarat, he had served in various departments in various capacities (Accounts, Taxation, Budget, Policy Making etc).

We wish CMA Shashin Raval the very best for all his future endeavours.

# THE GIC GOLD RUSH: A STRATEGIC COST MANAGEMENT ANALYSIS OF ESTABLISHING GLOBAL IN-HOUSE CENTRES IN IFSC

## Abstract

This article presents a strategic cost management analysis of establishing Global In-House Centres (GICs) in India's International Financial Services Centre (IFSC) at GIFT City. It highlights the exceptional tax incentives, operational cost advantages, and regulatory clarity that make IFSC a compelling destination for global firms. With up to 100% tax exemption for 10 years, reduced MAT, and infrastructure-driven savings, GIFT City delivers superior financial value. The role of Cost and Management Accountants (CMAs) is underscored as critical in planning, transfer pricing, and performance tracking. Overall, the article positions IFSC as a transformative choice for future-ready, high-value global operations.

## Introduction

Around the world, large multinational companies are in a constant race to work smarter, innovate faster, and manage their costs effectively. For years, a popular strategy has been to set up their own dedicated offices in other countries to handle specific business functions. These aren't just outsourced call centres; they are fully integrated parts of the parent company, known as Global In-House Centres (GICs), or sometimes called captive centres.

These GICs have grown up. They started as back offices for simple tasks, but today they have become vibrant hubs of innovation, data analysis, and critical business operations. For any global company, deciding where to build one of these strategic centres is one of the handful of truly massive financial decisions they



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will make. It's a choice that can define their success for decades to come, and it's a decision that requires careful, expert financial analysis. This is where the skills of a Cost and Management Accountant (CMA), a professional expert in managing business finances, become essential.

In this global competition for GIC investment, a new frontrunner has emerged: India's International Financial Services Centre (IFSC), located in a specially designed area called Gujarat International Finance Tec-City (GIFT City). This isn't just another business park; GIFT City has been meticulously planned and built to be the perfect home for these global business units. It directly addresses the three main questions a company asks when choosing a location: Is it financially smart? Can we operate efficiently? And are the rules clear and simple?

This article will take you beyond the buzz and the headlines. We will provide a detailed, easy-to-understand breakdown of the real, tangible benefits of setting up a GIC in IFSC. We want to give business leaders and financial professionals the clear insights they need to see why choosing GIFT City isn't just a small improvement—it's a giant leap forward in

creating value for their company.

### **The Financial Windfall: Unpacking the Incredible Tax Benefits**

The number one reason GIFT City is turning so many heads is its incredibly attractive package of tax benefits. For a financial expert like a CMA, these aren't just nice perks; they are powerful advantages that can be plugged directly into their financial calculations, often deciding to choose GIFT City an obvious one.

#### **A Decade of Zero Taxes**

The headline-grabbing incentive is a full 100% exemption from income tax on profits for any ten years of your choice within the first fifteen years of operation. This is more than just a tax break; it's a powerful strategic weapon. A smart CMA would advise the company not to start this 10-year clock right away. Instead, the GIC could operate for the first two or three years, handling the initial setup costs and finding its rhythm. Once it starts generating stable, high profits, *then* it can trigger the tax holiday. This simple strategy ensures that the company gets the maximum possible benefit, shielding its most profitable years from taxes entirely. A benefit this significant has a massive positive impact on the project's overall financial return, dramatically improving its Net Present Value (NPV)—a measure of its long-term profitability—and slashing the time it takes to earn back the initial investment.

#### **Favourable Taxes for the Long Haul**

What happens after the 10-year holiday is over? The good news continues. The tax environment in IFSC remains extremely friendly and predictable. For instance, the Minimum Alternate Tax (MAT), which is a safety-net tax calculated on a company's book profits, is set at a low 9% in IFSC. This is about half the standard rate applied elsewhere, ensuring that even after the main tax holiday, the burden remains light.

Furthermore, to make daily business smoother, rules around Tax Deducted at Source (TDS) have been relaxed. As of July 1, 2025, units in IFSC are exempt from the hassle of deducting and depositing TDS on a whole host of payments. This includes things like interest paid on loans taken in foreign currency or payments made for aircraft leases. While this sounds technical, the practical benefit is simple: it improves the company's cash flow and makes managing the company's money much, much simpler. This clear, long-term tax plan provides predictability, which

is golden for any company making an investment intended to last for many years.

### **Smarter Spending: The Real-World Cost Savings**

While amazing tax benefits get companies in the door, it's the day-to-day operational costs that determine if a GIC can succeed in the long run. Here too, IFSC offers huge advantages that a CMA can measure and track. <sup>16</sup>When you add it all up, the savings on operations in IFSC can be as high as 20-30% compared to other major GIC locations.

#### **Top-Tier Infrastructure at a Fraction of the Cost**

GIFT City is a "smart city," meaning it was built from the ground up with the latest technology and infrastructure. Everything is designed to be "plug-and-play," so companies can get set up and running with minimal hassle. A huge factor is the cost of office space. Rent for world-class, Grade-A offices in GIFT City is estimated to be 50-60% cheaper than in India's traditional major business cities like Mumbai or Bengaluru.

The savings don't stop there. The city employs clever, centralized infrastructure like a "district cooling system." Instead of every building running its own massive air-conditioning units, a single, highly efficient plant supplies chilled water throughout the city. This innovation is estimated to cut energy use and costs by a staggering 30-40%. For any business, electricity is a major Operating Expense (OPEX), and a recurring saving of this size is a massive, ongoing benefit.

#### **A Deep Pool of Talent with Government Backing**

A GIC is nothing without its people. IFSC provides access to a huge, diverse, and highly educated workforce from all over India. These are skilled professionals in fields like finance, technology, and analytics who are fluent in English and other languages.

This advantage is supercharged by incredible support from the regional government. The government of Gujarat recently launched a new Information Technology / Information Technology enabled Services (IT/ITeS) Policy that offers very real, cash-in-hand benefits to companies setting up in GIFT City. This includes things like subsidies on the interest for business loans and direct financial assistance for paying employee salaries. For a CMA calculating the GIC's budget, these government incentives are direct

savings that make the financial case even stronger.

### The Financial Architect: How an Accountant Builds Success in GIFT City

Having a great location like IFSC is one thing; unlocking its full potential requires sharp financial leadership. This is where the CMA becomes the “value architect” of the GIC, playing a crucial role at every stage of its life.

#### Step 1: Proving It's a Smart Move

The CMA's first job is to build the business case. This involves creating a detailed financial model that acts as a roadmap for the proposed GIC. They will project the income the GIC will generate (based on the services it will provide to the parent company), forecast all the costs (carefully factoring in all the tax breaks and operational savings), and then run different scenarios to test the plan's strength. They use standard financial tools like NPV and the Internal Rate of Return (IRR) to show that the investment is sound. This comprehensive plan is what gets presented to the global board of directors to get the green light.

#### Step 2: Setting a Fair Price for Internal Services

This is one of the most important and tricky areas for any GIC. Imagine the GIC in India is a factory that makes software for its parent company in the United States. The GIC has to “sell” that software to the parent company. The price for this internal sale is called “transfer pricing.” The CMA is responsible for designing a transfer pricing policy that sets a fair price—the same price that would be charged if the two companies were completely unrelated. This is crucial for two reasons. First, it has to be compliant with the laws in India and with global standards, like the Base Erosion and Profit Shifting (BEPS) framework from the Organisation for Economic Co-operation and Development (OECD), to avoid legal trouble and fines. Second, it needs to be structured in a way that is as tax-efficient as possible within those legal rules. Getting this right is a masterclass in financial strategy.

#### Step 3: Tracking Performance and Proving Value

Once the GIC is up and running, the CMA's job shifts from planning to steering. They are responsible for making sure the GIC delivers on its promises. This means setting up a strong Management Information

Explore why GIFT City's tax breaks, smart infrastructure, and talent pool make it the ideal destination for future-ready Global In-House Centres

System (MIS) to provide clear, regular updates on the GIC's health. They often use a tool called a Balanced Scorecard. This scorecard doesn't just look at financial numbers; it also tracks other crucial Key Performance Indicators (KPIs)—metrics related to the quality of work, speed and efficiency, customer (parent company) satisfaction, and even innovation, like how many new ideas the GIC team is generating. This ensures that everyone sees the GIC not just as a way to save money, but as a powerful engine that creates documented, undeniable value for the entire global organization.

### The Final Word: More Than Just Savings, It's a Strategic Revolution

India's IFSC in GIFT City represents a true turning point for how global companies think about their worldwide operations. It has brought together a powerful and unbeatable combination of three key benefits: incredible financial and tax advantages, low day-to-day operating costs, and a simple, supportive regulatory system.

For financial professionals and business leaders, the case for GIFT City is clear, compelling, and backed by hard numbers and solid logic. Choosing to establish a GIC here is far more than a simple cost-cutting exercise. It is a forward-thinking, strategic decision to build an operational hub that is not only highly profitable but also strong, adaptable, and ready for future growth. By using their unique skills in financial planning, complex problem-solving like transfer pricing, and performance measurement, CMAs are not just watching this happen; they are the key architects to build this new future. They are the ones who can position their companies to catch the wave and reap the full rewards of this GIC gold rush in India's premier global gateway. **MA**

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# STRATEGIC ROLE OF IFSC IN RESHAPING INDIA'S GLOBAL FINANCIAL FOOTPRINT

## Abstract

India's International Financial Services Centre (IFSC) at GIFT City is poised to become a cornerstone of the country's financial future. With its unified regulatory framework under the International Financial Services Centres Authority (IFSCA), cutting-edge infrastructure, and forward-looking policy incentives, IFSC is strategically positioned to rival global financial hubs. Its rapid expansion in banking, asset management, and capital markets—highlighted by platforms like GIFT Nifty and the International Bullion Exchange—signals its growing influence. As India advances toward its Viksit Bharat 2047 vision, IFSC is expected to play a transformative role in attracting global capital and fostering innovation across fintech and sustainable finance. This essay explores how IFSC is set to redefine India's financial landscape, driving long-term growth, global collaboration, and economic leadership.

## Genesis and Vision of IFSC

The concept of an International Financial Services Centre in India was born out of the need to bring back financial services and transactions that were being conducted outside India by Indian entities. GIFT City (Gujarat International Finance Tec-City), located near Gandhinagar, Gujarat, was chosen as the site for India's first IFSC. The vision was to create a world-class financial hub that could compete with global centers like London, New York, and Singapore.

GIFT City was developed as a smart city with integrated infrastructure, including commercial,



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residential, and social facilities. The IFSC within GIFT City was designed to provide a platform for international financial services such as banking, insurance, asset management, and capital markets.

### ☉ Example:

#### **GIFT City's Smart Infrastructure Integration**

GIFT City's infrastructure includes a district cooling system, automated waste collection, and a robust fiber-optic network. These smart city features not only support sustainability but also attract environmentally conscious financial institutions looking for green headquarters.

### ☉ Case Study:

#### **Japanese Investment Bank Feasibility Study**

In 2024, a leading Japanese investment bank conducted a feasibility study to establish a regional office in the IFSC. The study highlighted GIFT City's proximity to major Indian industrial corridors and its potential to serve as a gateway to South Asia.

### ☉ **Dubai International Financial Centre (DIFC)**

India's IFSC draws inspiration from

successful models like DIFC, which transformed Dubai into a regional financial hub. DIFC's integrated infrastructure, regulatory autonomy, and tax incentives helped attract over 2,000 firms. GIFT City aims to replicate and adapt this success to the Indian context.

### Regulatory Framework and Governance

A key milestone in the development of IFSC was the establishment of the **International Financial Services Centres Authority (IFSCA)** in April 2020. IFSCA serves as a unified regulator for all financial services in IFSC, streamlining governance and reducing regulatory fragmentation.

IFSCA has introduced over 50 regulations since its inception, covering areas such as banking, insurance, capital markets, fintech, and fund management. These regulations are aligned with global best practices, ensuring transparency, investor protection, and ease of doing business.

The regulatory framework emphasizes innovation, flexibility, and global integration. For instance, IFSCA has launched a regulatory sandbox for fintech companies, allowing them to test new products and services in a controlled environment.

#### ☉ Example:

##### **Fintech Sandbox Success:**

In 2023, a blockchain-based cross-border payment solution developed by a startup in the IFSCA sandbox successfully completed trials. The solution reduced transaction costs by 40% and processing time by 60%, showcasing the sandbox's potential to foster innovation.

#### ☉ Case Study:

##### **European Reg Tech Firm Collaboration:**

A European Regulatory Technology (Reg Tech) firm partnered with IFSCA to deploy AI-based compliance monitoring tools. These tools helped IFSC entities reduce regulatory breaches by 35% in their first year of implementation.

### Sectoral Growth and Expansion

#### (a) Banking Sector

The banking sector in IFSC has witnessed exponential growth. From total assets of \$14 billion in 2020, the sector grew to \$78 billion by December 2024. Several Indian and foreign banks have established operations in GIFT City, offering services such as offshore banking, trade finance, and treasury operations.

#### ☉ Example:

##### **Trade Finance for African Markets:**

An Indian bank operating in IFSC launched a trade finance desk focused on African markets. It facilitated \$300 million in exports of pharmaceuticals and engineering goods from India to Africa in 2024.

#### ☉ Case Study:

##### **Blockchain-Based Letter of Credit:**

A consortium of banks in IFSC piloted a blockchain-based letter of credit system for textile exports. The pilot reduced processing time from 7 days to under 24 hours and eliminated paperwork.

#### (b) Fund Management

The fund management ecosystem in IFSC has expanded significantly, with 148 entities operating by 2024. These include alternative investment funds (AIFs), portfolio managers, and mutual funds. The regulatory framework allows fund managers to raise capital globally and invest in Indian and international markets.

#### ☉ Example:

##### **Climate-Focused Investment Fund:**

A newly launched fund in IFSC focuses exclusively on climate-resilient infrastructure in South Asia. It raised \$250 million from European pension funds and sovereign wealth funds.

#### ☉ Case Study:

##### **Diaspora Investment Vehicle:**

An IFSC-based asset manager created a fund targeting the Indian diaspora. The fund allows NRIs to invest in Indian startups and infrastructure projects with simplified

compliance and tax benefits.

### (c) Capital Markets

IFSC is home to platforms like **GIFT Nifty**, which facilitates trading in derivatives linked to the Nifty index. The **India International Bullion Exchange (IIBX)** enables transparent and efficient trading of precious metals. These platforms enhance liquidity, price discovery, and investor participation.

#### ⊙ Example:

##### **SME Bond Platform:**

IFSCA approved a platform for small and medium enterprises (SMEs) to issue bonds in the IFSC. In its first quarter, 12 SMEs raised a combined \$80 million for expansion and working capital.

#### ⊙ Case Study:

##### **India International Bullion Exchange (IIBX):**

IIBX enabled direct bullion imports by Indian jewellers, reducing costs and improving transparency. In its first year, it facilitated over 25 tonnes of gold transactions.

### (d) Aircraft & Ship Leasing

IFSC offers a tax-efficient, globally competitive platform for aircraft and ship leasing. With 100% tax exemptions, zero GST, and regulatory clarity, it attracts global lessors and supports domestic aviation and maritime sectors.

#### ⊙ Example:

Vman Aviation Services became the first Indian company to lease a helicopter through IFSC, reducing costs and import duties.

#### ⊙ Case Study:

In 2023, the Gujarat Maritime Board partnered with IFSCA to promote ship leasing. This enabled Indian shipping firms to access sale-and-leaseback models, improving fleet financing and reducing foreign dependency.

### (e) Insurance and Reinsurance

The insurance sector in IFSC includes direct insurers, reinsurers, and intermediaries. Global

reinsurers have set up branches in GIFT City, providing risk management solutions to Indian and international clients.

#### ⊙ Example:

##### **Lloyd's of London:**

Lloyd's opened a representative office in IFSC, partnering with Indian insurers to offer specialized reinsurance products for climate risk and cyber liability.

#### ⊙ Case Study:

##### **Cyber Risk Reinsurance Pool:**

A group of reinsurers in the IFSC formed a cyber risk pool to cover large-scale data breaches in Asia-Pacific. The pool has underwritten \$500 million in coverage for tech firms and financial institutions.

### Fintech and Innovation

IFSC is positioning itself as a hub for financial innovation. IFSCA's fintech sandbox and innovation hub support startups in developing cutting-edge solutions in areas like blockchain, AI, and digital payments. The authority has also introduced frameworks for digital asset exchanges and tokenization, aligning with global trends.

The presence of fintech firms in IFSC fosters collaboration between traditional financial institutions and tech-driven startups, driving efficiency and customer-centric services.

#### ⊙ Example:

##### **Digital Asset Exchange Pilot:**

In 2024, a pilot digital asset exchange launched in IFSC allowed tokenized trading of real estate assets. It attracted \$50 million in investment within six months.

#### ⊙ Case Study:

##### **AI-Powered Wealth Management:**

A fintech startup developed an AI-based robo-advisory platform in IFSC, offering personalized investment strategies. It onboarded 10,000 clients in its first year, with assets under management crossing \$100 million.

### Tax and Policy Incentives

The Indian government has introduced several tax and policy incentives to attract investment in IFSC:

- ⊙ **Tax exemptions** on capital gains, dividends, and interest income for non-residents.
- ⊙ **Zero GST** on services provided by IFSC units to offshore clients.
- ⊙ **Simplified compliance** and reporting requirements.
- ⊙ **Budget 2025** introduced additional incentives for fund managers, fintech firms, and insurance entities.

These incentives make IFSC a competitive destination for global financial services, reducing the cost of operations and enhancing profitability.

#### ⊙ Example:

##### **Budget 2025 Incentives:**

Budget 2025 introduced tax holidays for fund managers and reduced compliance burdens for fintech firms. These measures led to a 30% increase in new registrations in IFSC within six months.

#### ⊙ Case Study:

##### **Insurance Sector Growth:**

Following policy incentives, a global insurance firm launched a captive insurance unit in IFSC, covering risks for its Asia-Pacific operations. This move saved the firm \$10 million annually in premiums.

### Strategic Importance and Global Integration

IFSC serves as a bridge between Eastern and Western financial markets. Its strategic location and time zone advantage allow it to operate seamlessly across global markets. It supports India's ambition to become a financial powerhouse and aligns with the **Viksit Bharat 2047** vision.

IFSC facilitates international collaboration through bilateral agreements, cross-border listings, and global fundraising. It also plays a role in de-dollarizing trade by promoting INR-denominated transactions.

India's IFSC at GIFT City is key to Viksit Bharat 2047 - driving global financial leadership through innovation, capital inflow, and strategic international integration

#### ⊙ Example:

##### **ASEAN-India Financial Corridor:**

IFSC is being positioned as the anchor for an ASEAN-India financial corridor. This initiative aims to facilitate cross-border investments, trade finance, and currency swaps between India and Southeast Asian nations.

#### ⊙ Case Study:

##### **INR-Euro Settlement Pilot:**

In 2025, IFSC hosted a pilot program for INR-Euro settlements between Indian exporters and European buyers. The pilot reduced forex conversion costs by 20% and improved transaction speed.

### Challenges and Opportunities

The IFSC has made strong progress but faces challenges like attracting specialized talent, competing with global financial hubs, and scaling infrastructure. These hurdles offer opportunities for innovation, policy improvement, and strategic alliances. Continued government backing, stakeholder involvement, and global outreach will be crucial to its success.

#### ⊙ Example:

##### **Green Infrastructure Scaling:**

As demand grows, IFSC is investing in green buildings and renewable energy sources. A solar park near GIFT City now powers 30% of its commercial zones, reducing carbon footprint and attracting ESG investors.

#### ⊙ Case Study:

##### **Talent Exchange Program:**

IFSCA launched a talent exchange program with universities in Canada and Singapore. Over 200 finance students participated in internships at IFSC firms, helping build a global talent pipeline.

IFSCA partnered with IIM Ahmedabad to launch a certification program in international finance. Over 500 professionals have been trained, addressing the talent gap.

### Future Outlook

The future of IFSC looks promising, with upcoming developments in green finance, digital assets, global payment integration, and sustainable infrastructure. Positioned to drive India's financial diplomacy, IFSC is set to attract global capital, foster innovation, and support inclusive growth.

#### Example:

##### Green Bond Issuance:

In 2025, a renewable energy firm issued \$100 million in green bonds via IFSC, attracting ESG-focused investors from Europe and Japan.

#### Case Study:

##### Digital Rupee Integration:

In collaboration with the Reserve Bank of India, IFSC is piloting the use of India's Central Bank Digital Currency (CBDC) for cross-border settlements. Early results show a 30% reduction in transaction costs.

### Conclusion

India's IFSC at GIFT City is rapidly emerging as a key gateway for the nation's financial sector. Backed by a strong regulatory framework,

strategic incentives, and sectoral momentum, it is reshaping the financial landscape. As a symbol of India's global financial ambitions, IFSC promotes innovation, collaboration, and resilience. Aligned with the Viksit Bharat 2047 vision, it is poised to lead India's integration with global markets and shape the future of finance. **MA**

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#### NOTIFICATION

In pursuance of Regulation 146 of the Cost and Works Accountants Regulations, 1959, the Council of the Institute at its 360th Meeting dated 21st May 2025 and adjourned to 14th July 2025 by virtue of power conferred therein has decided to change the name of "The Institute of Cost Accountants of India, Talcher Angul Chapter" to "The Institute of Cost Accountants of India, Angul Chapter".

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# Interview



## CMA Saurav Mitra

Director (Finance) and  
Chief Financial Officer  
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CMA Saurav Mitra, Director (Finance) & CFO of Petronet LNG Limited, is an Associate Member of Institute of Cost Accountant of India (ACMA) and a seasoned finance professional with over 30 years of experience. He has held key leadership roles at Indian Oil Corporation Limited (IOCL) and its overseas subsidiary, Lanka IOC PLC. As CFO of Lanka IOC, he drove financial strategy and operational excellence during a critical growth phase. At IOCL, he served as Executive Director (Internal Audit), leading enterprise-wide audit initiatives that strengthened compliance, governance and Risk Management. His expertise in project finance and treasury supported the execution of major infrastructure and energy projects, including large-scale fund mobilization and investment decisions. He also championed digital transformation, notably pioneering the Vendor Invoice Management System at

IOCL. At Petronet LNG Limited, he is leveraging this rich experience to strengthen financial planning, governance and innovation, contributing significantly to the Company's development in the energy sector. Under his leadership, the company continues to expand its regasification capacity, develop new infrastructure including a greenfield terminal at Gopalpur, and invest in downstream petrochemical projects by mobilizing funds through debt financing. His strategic vision and commitment to transparency were recently highlighted during Petronet LNG's maiden Analyst Meet, where he engaged with key stakeholders to reinforce the company's growth trajectory and financial strength.

**Q1. Given the increasing global demand for energy and the imperative to transition away from non-renewable resources, how is Petronet LNG positioning itself to navigate the evolving energy landscape and contribute to India's energy security in the coming decade?**

**Ans.** The landmark Paris Agreement 2015 adopted by 196 parties at the UN Climate Change Conference (COP21) emphasized the importance of limiting the average increase in global temperature to 1.5°C to control climate change related risks. In this context, Hon'ble Prime Minister of India has taken a pledge for achieving Net-Zero in India by the year 2070. In COP 27, held in November 2022, a consensus was reached that natural gas would be the bridge fuel for next four to five decades in world's pursuit for controlling and minimising the usage of heavily polluting fuels. In the same backdrop, the Government of India aims to augment the use of natural gas from currently about 6% to 15% in the energy basket of India by 2030, which is a humongous task. Petronet LNG Ltd. being the leading LNG player of India, has also committed itself for India's dream of achieving Net-Zero and dedicates itself for cementing a Sustainable Bridge for a Low Carbon Future for our planet.

In line with the nation's commitment to achieve Net Zero, PLL has also chalked out the roadmap for navigating the evolving energy landscape through:

- a. Expansion of the nameplate capacity of the Dahej LNG Terminal from 17.50 MMTA to 22.50 MMTA.
- b. Setting up a LNG Terminal in Gopalpur, Odisha of 5 MMTA capacity.
- c. Augmenting the Truck loading facilities at both Dahej and Kochi Terminals for giving boost to the concept of LNG by Truck.
- d. Construction of LNG filling stations for LNG fuelled trucks.
- e. Putting up Compressed Bio Gas plants for production of natural gas through sustainable sources.
- f. Transition to renewable energy from conventional sources of energy for its existing facilities and upcoming petro-chemical project.

**Q2. Can you give us an update on the global natural gas market and how is Petronet LNG Ltd gearing up for the challenges?**

**Ans.** According to the International Gas Union's

Annual Report, approximately 31 MMTA of LNG capacity is scheduled to be added from North America and 16 MMTA from the Middle East in 2026.

Furthermore, between 2026 and 2028, global liquefaction capacity is projected to increase by around 170 MMTA.

With new LNG supplies expected to come onstream from early 2026 onwards, primarily from North America and Middle East, LNG market is expected to become more balanced with regards to supply, and we expect it to shift to a buyers' market in 2027/2028.

This significant expansion in LNG export capacity is likely to exert downward pressure on prices and enable Buyer's to negotiate better contractual terms such as destination flexibility, thereby making LNG competitive vis-à-vis alternate fuel. This will provide the required boost for LNG consumption in price-sensitive sectors like power, fertilizers, refinery, CGD.

Considering, a likely scenario of 12% share of Natural Gas in the primary energy mix by FY 2035, the Natural Gas demand is expected to reach approximately 430 MMSCMD by FY 2030 and 489 MMSCMD by FY 2035 from the present level of 197 MMSCMD. In view of, increase in gas consumption and limited growth in domestic gas production, LNG is expected to play a crucial role in meeting the gas demand of India. Considering limited domestic supply of approximately 100 MMSCMD of Natural Gas, LNG is expected to cater about 330 MMSCMD, to meet the increased consumption of natural gas by FY 2030. To support, the increased LNG consumption an estimated 115 to 130 MMTA of Regas Capacity is necessary by FY 2030, even assuming a terminal utilization rate of 70% to 80%, for which the Country needs to expeditiously develop LNG import terminal facilities, to take advantage of lower LNG prices.

The current operational LNG regasification capacity in India is 52.7 MMTA, with an additional 21 MMTA under various stages of development. Even if all planned projects are commissioned, a shortfall of approximately 41 to 56 MMTA remains. Going forward, to handle the additional LNG import volumes, PLL is augmenting capacity of its Dahej LNG Terminal from 17.5 MMTA to 22.5 MMTA and also setting up an LNG terminal of 5 MMTA capacity on the Eastern Coast of India.

PLL has already tied up LNG contracts of 10.125 MMTPA with different LNG suppliers to meet the growing gas demand of India. PLL has also entered into long term regasification agreements of 8.75 MMTPA including recently signed deal with Performance Chemiserve Limited.

Therefore, we are confident that the surge in global LNG export capacity coupled with favourable LNG prices and growing natural gas demand of India, with limited domestic supplies will lead to a substantial increase in LNG imports to India, positioning PLL as a leading player in handling these volumes through its terminals.

**Q3. The LNG marketplace in India is poised to witness stiff competition with new LNG regasification terminals coming up. What is Petronet LNG Ltd's strategy to augment its market share?**

**Ans.** Petronet LNG Limited is the leader in the LNG landscape of India. With our two terminals, Dahej & Kochi having a combined regasification capacity of 22.5 MMTPA, PLL accounts for approximately 43% of India's total regasification capacity, which currently stands at around 52.7 MMTPA.

Additionally, with the expansion of the Dahej terminal from 17.5 MMTPA to 22.5 MMTPA along with an additional third jetty and the upcoming greenfield terminal at Gopalpur on the eastern coast of India with a capacity of 5 MMTPA, PLL will be managing a total regasification capacity of 32.5 MMTPA.

Competition from customer-owned terminals has not posed significant concern for PLL, owing to the numerous competitive advantages it consistently offers to its customers. PLL has eight LNG storage tanks at Dahej LNG Terminal, which provides the flexibility to the customers to store LNG for a longer period as compared to the other competitors. Moreover, PLL also provides flexibility to its customers to unload LNG at its Dahej or Kochi Terminal considering their need.

Further, with the strategic location of PLL's existing terminal on West and Southern coast of India and upcoming terminal on Eastern coast of India, PLL will be in an advantageous position to also offer the unique facility of gas swapping to its customers, thereby ensuring availability of natural gas across the nation at reduced cost.

Presently our existing terminals handle 34% of the total gas consumption of India and 2/3<sup>rd</sup> of the LNG imports in India. With ongoing expansion efforts, PLL is poised to further strengthen its market share.

The Dahej terminal handles approximately 260–270 cargoes annually, positioning it among the busiest LNG terminals globally. PLL with its upcoming third jetty at Dahej will be able to provide additional flexibility to the customers for scheduling their LNG vessels berthing.

The Dahej terminal is integrated with multiple pipeline networks that form part of the national gas grid, facilitating the transportation of gas molecules to demand centers across India. The connected pipeline infrastructure has an evacuation capacity of about 35 MMTPA, enabling future expansion to meet the growing demand for natural gas and LNG in the country.

Both Dahej and Kochi terminals are equipped with truck loading bays, eight at Dahej and four at Kochi, capable of catering to the increasing demand from the small-scale LNG segment, thus reaching to the areas not connected by pipeline network.

In terms of service diversification, the Kochi terminal stands out as the only facility in India offering specialized services such as Gas-Up and Cool-Down, LNG reload, and bunkering. Considering, its strategic location on Southern Coast of India, near to the international shipping route, Kochi Terminal is coming up as a competitive alternative to other South-Asian facilities offering such specialized services.

The Medium & Heavy Commercial Vehicle segment play an important role in maintaining the supply and distribution of goods and services across industries in the country. Long haul M&HCV vehicles will gradually transition to LNG-based fuel from diesel considering the associated fuel economics and lower emissions. GOI inaugurated plan of opening 50 LNG stations to expedite pan-India LNG infrastructure development with an overarching plan to setup 1,000 stations. The Auto-LNG segment is estimated to grow upto 8 MMTPA by FY 2030 and 11 MMTPA by FY 2035. This will require the necessary infrastructure to import, store and transport LNG to the dispensing stations to be set up across India. PLL has ventured into this emerging LNG business segment by establishing 4 LNG dispensing stations in Southern part of India with a plan to setup 11 more stations initially across the

major highways in India.

Backed by operational excellence and customer-centric advantages, PLL remains committed to maintaining its competitive edge and reinforcing its market leadership in the Indian LNG landscape.

With a strong presence across key terminals, integration with the national gas grid, immense flexibilities offered to its customers and proactive ventures into emerging LNG applications, I am confident that PLL is well-prepared to meet the growing demand for natural gas and LNG in India, while continuing to maintain and expand its leadership position in the country's LNG landscape.

**Q4. What are the different projects your Company is working on, in its core business and diversification into new areas?**

**Ans.** Petronet LNG is expanding its LNG capacity and diversifying into petrochemicals and this is a major leap in the history of PLL.

Petronet LNG Limited is expanding capacity of its Dahej Terminal from 17.5 MMTPA to 22.5 MMTPA and also setting up new land-based LNG regas terminal on East Coast of India at Gopalpur with a capacity of 5 MMTPA.

Petronet LNG Limited has already commissioned two LNG storage tanks at Dahej Terminal in 2024 taking the total number of LNG storage tanks at Dahej to eight.

Construction of unique third LNG jetty which will be capable of handling ethane and propane in addition to LNG at Dahej is under progress.

Further, PLL is setting up a Petrochemical Complex at Dahej, comprising of Propane Dehydrogenation Unit of capacity 750 KTA and a Poly propylene unit of capacity 500 KTA along with ethane and propane storage and handling facilities.

As far as the returns are concerned, we are happy to share that we have already tied up 1/3rd of Products i.e. 250 KTPA Propylene and 11 KTA Hydrogen on long term basis for 15 years with Deepak Phenolics Limited.

Further, we are receiving interest from various



*Aerial View of Dahej Terminal*

players for the sale of balance volumes of our product- Propylene & polypropylene as well as booking capacity for ethane handling and storage facilities. Several of these discussions have progressed to advanced stages and are nearing finalization.

**Q5. Reflecting on your distinguished career, could you share some of the key milestones and experiences that have shaped your professional journey and led you to your current leadership role at Petronet LNG Limited?**

**Ans.** It's truly a moment of pride for me to be here today, not just as a finance professional, but as a fellow member of this great institution that laid the foundation for everything I have achieved so far.

When I look back on my journey from being a young ACMA aspirant with dreams in my eyes, to now leading the finance function at Petronet LNG Ltd, I see not just milestones, but moments of learning, resilience, and transformation.

My journey started at the Indian Oil Corporation Ltd, a place that became my second home for over three decades. I was fortunate to handle roles like project finance, accounts, treasury, internal audit, to name a few. Each assignment provided great learning curve, teaching me the value of discipline, integrity, and strategic thinking.

As Head of Finance at Gujarat Refinery and later as Head of Project Finance at Refineries Head Quarter, I was involved in shaping some of the most capital-intensive projects in the country. These weren't just numbers on a spreadsheet, they were national assets in the making. And in every decision I took, my training as a Cost & Management Accountant helped me think not just in terms of cost, but in terms of value as well.

A particularly defining phase came when I moved to Sri Lanka to serve as CFO of Lanka IOC PLC. Leading finance in an international environment, during a period of economic and regulatory challenges pushed me out of my comfort zone and made me a more holistic leader. Being on the Board of Ceylon Petroleum Storage Terminals Ltd further deepened my understanding of corporate governance.

Later, as Executive Director (Internal Audit) at IOCL, I had the opportunity to lead change from within, helping my organisation build robust systems for governance, compliance, and enterprise-wide risk management.

I'm particularly proud of having led the implementation of the Vendor Invoice Management System, a digital leap that not only improved efficiency but also enhanced transparency across a massive organization. For me, this wasn't just about automation; it was about driving trust, adaptability and transformation in IOCL.

In April 2025, I took over as Director (Finance) & CFO at Petronet LNG Limited, one of India's most strategic energy companies. It's an immense responsibility to manage finances for a company that fuels India's clean energy ambitions.

Here, my focus is on ensuring financial resilience, enabling strategic expansion, and aligning with the nation's evolving energy goals. It's exciting, intense, and deeply purposeful.

If I were to sum up what truly shaped my journey, it would be:

- a. Integrity, because trust is the true capital of any finance leader.
- b. Adaptability, because the world changes faster than we think.
- c. Mentorship, because we rise by lifting others.
- d. Above all, humility, because no role is ever too big to learn something new.

To the young aspirants here I would like to say,

- ⦿ You may not realize it yet, but the qualification you're pursuing is far more powerful than you think. You are not just becoming accountants; you are becoming business enablers, risk managers, strategy advisors, and future CFOs.
- ⦿ Keep learning. Embrace technology. Speak up. Ask questions. And carry your ICAI badge with pride, because the world needs professionals who can combine sharp analytics with ethical leadership.

**Q6. What practical advice would you offer to newly qualified Cost & Management Accountants on foundational techniques and skills that can significantly aid their success, especially in the competitive job market?**

**Ans.** Firstly, let me congratulate each one of you who has recently qualified as a Cost and

Management Accountant. It's not just a qualification you've earned; it's a mindset you've developed that is at the same time analytical, value-driven, and solution-oriented.

Having walked this path for over three decades from my initial days at Indian Oil to now serving as Director (Finance) & CFO at Petronet LNG Ltd, I can assure you that the real journey starts now. The corporate world will test not just what you know, but how you think, adapt, and respond.

Let me share a few practical and experience-backed insights that may help guide your next steps:

## 1. Master the Fundamentals and Apply Them with Context

Yes, you've learned costing techniques, budgeting, standard costing, marginal analysis, and risk management. But remember application matters more than theory.

For instance, at IOCL, when I was leading project finance, applying various costing techniques helped us decide between technology options for a refinery upgrade. It wasn't just numbers it was strategic decision-making built on strong fundamentals.

My advice in this context is, be crystal clear on concepts like cost behavior, working capital, capital budgeting, and variance analysis etc and learn how they influence business outcomes.

## 2. Develop Financial Storytelling Skills

Numbers alone won't get you far. You must learn to tell the story behind the numbers; the 'why', not just the 'what'.

When I implemented the Vendor Invoice Management System across IOCL, I had to demonstrate how turnaround time, vendor confidence, and compliance would improve organisation's performance. It wasn't just a technology module; it was a governance shift, and I had to communicate that to the senior management.

My advice is to learn to prepare concise dashboards, communicate financial insights clearly, and tailor your pitch depending on whether you're speaking to operations, the board, or investors.

## 3. Stay Technologically Curious

Today's CMA must be digitally fluent. ERP systems like SAP, analytics tools like Power BI, and AI-driven forecasting are becoming standard desirables.

In my current role at Petronet LNG while heading the finance function, I am still curious and determined to bring technological transformation into areas like financial reporting, ERP upgradation, vendor payment processing system for the upcoming mega projects, financial models that integrate LNG price volatility, forex risks, and shipping costs etc.

My advice: Don't wait to be trained; explore tech tools proactively. You don't need to be a coder, but you must understand data flows and automation logic.

## 4. Build Domain Depth Before Chasing Designations

Many young professionals jump from one job to another, chasing salary hikes or fancy titles. But depth trumps speed.

I spent over 30 years at IOCL across multiple verticals i.e. refining, marketing, audit, international ops. Each role added layers of understanding preparing me for next elevations and eventually my current role at Petronet LNG Ltd.

My advice would be to stick around long enough in one domain to make meaningful contributions. It will compound your value.

## 5. Work Ethic and Integrity Are Your Greatest Assets

You can learn finance, but trust cannot be taught. In the corporate world, especially in finance, people rely on you for your judgment, not just calculations.

As Executive Director (Internal Audit), I often had to challenge existing practices. It wasn't easy, but it was right. And that clarity came from the ethics ICMAI instilled in me.

My advice is, never compromise on ethics. Build a reputation that precedes your resume.

## 6. Seek Mentors, Not Just Managers

Find people who are willing to guide you, not just assign tasks. In return, be curious, ask questions, and show up prepared. I've been blessed with mentors throughout my journey and I make it a point today to



Kochi Terminal

mentor young colleagues whenever I can. If I could leave you with one thought, it would be this:

Your career is not a sprint. It's a marathon. Build for endurance, not just speed.

Let me conclude with the thought that the world today needs cost accountants who are not

just number crunchers, but business thinkers. You have the tools. Now it's time to build the mindset. The ICMAI badge on your chest is not just a mark of competence it's a promise of character. Live up to it.

Wishing you all the success the profession has to offer. Thank you.

**Q7. Looking ahead, does Petronet LNG Limited have any suggestions or plans for potential collaborations with The Institute of Cost Accountants of India aimed at promoting professional development, knowledge sharing, and talent pipeline initiatives across finance, technology, and management domains?**

**Ans.** As a proud member of ICMAI and now serving as Director (Finance) & CFO at Petronet LNG, I truly believe this is the right time for us to build a deeper, more meaningful partnership between our two institutions.

Both Petronet LNG Ltd and ICMAI can work across multiple fronts:

- ⦿ Participation in campus recruitment drives.
- ⦿ Internships and fast-track trainee programs to nurture future-ready CMAs.
- ⦿ Guest lectures and mentorship from our senior management team to bridge the gap between classroom and corporate culture.
- ⦿ Joint webinars and CPE sessions focused on real-world applications on new and emerging topics like green financing, ESG costing, digital transformation through AI etc.
- ⦿ And yes, even co-authored research and whitepapers to advance thought leadership in energy finance and cost management can also be taken up. **MA**

## Abstract

Valuation under insolvency – had always been a riddle for common man and even valuers. Standardising methodology is essential in nation interest, failing which disputed cases continue to mount.

## Valuation under Insolvency



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Insolvency valuation is always a challenge. Here is a humble attempt to make some suggestions to current issues

What are issues?

IBC 2016 has resolved 1000+ cases

And pending cases are 12000+

While a great work has been carried out to achieve realization of assets, enough impact is not seen in economy. Significant recoveries are also affected. Then what is missing.

1. There is no standard for valuation under insolvency. Is it required? While valuation standards have been prescribed for different classes of assets and even liabilities. The valuation standards are not prescribed for specific situations. However when such situations become common there is a need to rethink whether separate standard is needed.
2. One more such example is start-up valuation, where traditional models do not so well. Similarly BFSI sector, cyclical industry, insurance, investment companies and of course, insolvency have different factors which need special consideration as they are not on beaten path of traditional valuation methods.
3. Going forward accounting standards normally apply for going concern while liquidation accounts are prescribed for insolvency. If that be the case, will valuation standards of traditional nature justify? Obviously No

Hence here is proposed method

1. Under insolvency also, the primary objective should be whether turnaround is possible. Therefore, valuers be entrusted with work of trying valuation by both the method “fair value” as well as “liquidation value”
2. The current process of individual assets valuation that too by 2 valuers each of the classes land and building, plant & equipment and securities & financial assets, necessarily is a prescription of closing the business. Whole purpose of doing all activities in a timely manner to try and get value to business and creditors gets lost in the process
3. Reason being the goodwill, the synergy benefits, the intangible assets and control premium get lost as they are not valued anywhere. Refer my article in magazine valuers professional insights vol I on 94 types of intangible assets.
4. Should valuer get into seat of CEO or a turnaround specialist and a company-closing champion or is that a job of insolvency professional. Should insolvency professional primarily focus on how to quickly wind up.
5. Is hair cut becoming head cut, body-cut or at least bald head. This gives rise to thought process of IP and RV jointly playing a role of turnaround specialist than closure champions, which will be in national interest.
6. It is expected that enterprise valuation concept will be included soon by IBBI, which will amount to first step in right direction
7. Having said that, it is not easy for enterprise valuation to think of innovative ideas of turnaround. But for mis-governance cases the finding of limiting factor, which resulted finally into cash-flow crunch, may or may not have solution.

A few cases out of practical experience are elaborated below

1. A very good blue-chip company went in trouble as they had no non-funded limits of bank guarantees required to be given for government tenders. But for that it had huge valuation
2. Another company got jammed because almost 100 cr were stuck in government disputed receivables.
3. 3<sup>rd</sup> company had income model valuation of 130 crores while cost model was 119 crores. But if investment of 20 cr is put for balancing equipment, it could have produced income model valuation of 330 cr. Now is it possible for a valuer to recommend such things and then who will implement. Will COC take risk???

So it gives rise to new issues. But it is better to raise issues and handle them than keeping them under carpet.

MA



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**Warm regards,**

**CMA Harshad S Deshpande**  
Council Member  
The Institute of Cost Accountants of India

8<sup>th</sup> August, 2025

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# BUSINESS INTEGRITY AND BUSINESS MODEL

## Abstract

Sustenance of any business in the long run depends on the entrepreneurial integrity of the business model. Customers respect the integrity of a business model as their first priority, because they perceive that business integrity guarantees good quality, timely delivery and reasonable price of a product. A big ethical brand is a natural outcome of perpetual business integrity.

**A**sian Resorts Limited (ARL) is a very reputed “property sharing company”, which owns more than hundred resorts in and outside India. It offers a ‘thirty-year membership’ with an entrance fee of Rs. Six lakhs. A member with his family of four can stay at any resort for five days per annum, based on ‘room availability’. The member is offered one-bedroom, small kitchen and a small sitting hall. He has to pay annual maintenance fees of Rs. twenty-seven thousand, irrespective of he avails the stay or not. The food served at each resort is quite costly. It is Rs. 2500 per day per person for morning breakfast, lunch and dinner. As each resort property is located far away from the main city, it is almost impossible to visit the city every day for cheaper meals. The transport facility provided by the resort is very expensive.

Recently ARL has started losing business to its rivals. The public perception of this business loss is very serious. ARL as per its policy, originally reserved around 15% of the rooms for “non-members” who can avail any resort at a price equal to the market rate in a respective locality. Obviously, this price was 50% higher than the cost paid by a regular member. During the last couple of years, ARL has been allotting more rooms to the non-members because this cash revenue was substantially more than the members’ fees. Unofficial reports are now quoting about the manipulative behaviour of the managers of ARL. There is no transparency in their communication with the members. Despite the members attempt to book a room much in advance than the stipulated time period, they often get a message of ‘non availability’ of the room. Even the members of the highest category are now being denied the facility. This manipulative trade behaviour has caused serious amount of agitation among all the members. Different member - groups are differently protesting against this unprofessional business practice of the ARL. Even the domestic and international media is seriously reporting about this unethical practice of ARL.

A few members who wanted to exit from this scheme, could not do so because there was no official exit route available. ARL was of the opinion that a member should bring his replacement, get paid by the new entrant and



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exit. This was very difficult because most of the probable customers were aware of ARL’s present business practice. They would do a simple comparison between the total direct and indirect cost per annum payable to ARL for a stay of five days versus a rent payable to a decent hotel for a similar stay. What was more annoying was the non - availability of rooms at ARL’s resorts and its manipulation of entertaining the non - members. ARL’s Income Statement of the latest year revealed an extraordinary rise in its subsidiary income, i.e. the income from non - members. The ratio between operating income and non - operating income was clear evidence of ARL’s manipulative business practice. A small group of its members supported by a CMA carried out a CBA (Cost Benefit Analysis) of its room, food and allied business of entertainment. This group benchmarked ARL’s costs and benefits against the competitors in the market. Quite a few astonishing facts came out as a result of this thorough inquiry. A non - refundable entrance fees of Rs. six lakhs was assessed with the technique of DCF (Discounted Cash Flow i.e. Time Value of Money) for a reasonable annual rate of ROI of 12%. This assessment proved that ARL’s pricing model was exorbitantly high. An ultimate truth that came out from this analysis was, the innocent customers (members) were taken for granted.

A deeper CBA and Strategic Analysis exhibited that ARL was planning to convert some of its regular resorts into hotels, so that it could entertain the regular customers (i.e. non - members). It was a deliberate attempt to show to the shareholders and other stakeholders that the “membership business” was not very rewarding. To further prove this conclusion, ARL manipulated the apportionment of common cost between member and non - member businesses. It also accounted disproportionately higher assets for the membership business, to scale down its ROI. Now that ARL was almost completely exposed for its immoral business practices, the promoters started distancing themselves from the operating managers. The attempt now was to blame the managers for the total mess that was done. Of course, it was simply difficult to believe that the managers altered the business model without the knowledge of and approval from the promoters! **MA**

# A TRYST WITH UNCERTAINTY

## Abstract

Uncertainty poses greater professional challenges to risk managers, particularly in the realm of loss estimations and operational resilience. In uncertainty due to insufficient information and a lack of prior experience about potential future states, predictability cannot be objectively attributed as in the case of risk. Professionals have been grappling with the modalities of distinguishing risk from uncertainty and ways and means to mitigate uncertainty threats. This paper attempts to explore the possible options and strategies for risk managers in navigating uncertainty terrain in decision making and strengthening organisational resilience in the face of uncertainty by anticipation, absorption and adaptation to unpredictable events or rapidly changing conditions. Handling uncertainty effectively requires a structured, flexible, and forward-thinking approach.

## Introduction

Appraising a risk is altogether a different ball game from the evaluation of an uncertainty, as both point to different knowledge states pertaining to forthcoming happenings. However, uncertainty puts up stiffer professional challenges to risk managers, principally in the realm of loss assessment and operative resilience.

While Risks is measurable given the likelihood metrics in terms of probability measures of the corresponding possible future states, uncertainty is about the state wherein the assignment of future probabilities to unknown future states would not be possible. In uncertainty due to insufficiency of information and for want of prior experience about potential future states, predictability cannot be objectively attributed as in the case of risk.



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In risk management two primary issues viz., quantifiability of probabilities and knowability of possible future states, always persist. It may however be pointed out that risk analysis without reckoning inherent uncertainties in the processes under focus would only provide a truncated and flawed view and understanding of the true risk profile of the entity incapacitating the entity to be in readiness for meeting uncertain eventualities. Overreliance on quantitative methodology would be fraught with possibilities of underestimation of expected future losses and sub-optimal operational resilience.

Professionals have been grappling with the modalities of distinguishing risk from uncertainty and ways and means to mitigate uncertainty threats.

Three distinct areas can be identified viz., decision-making, economic analysis, and risk management wherein the difference between risk and uncertainty would impact the respective modalities. Under uncertainty for want of probability based expected values decision making would be based on intuitive judgements, perception, and subjective/qualitative assessments. Economic analysis assumes that economic agents are all rational being having complete information on probabilities and likely outcomes in a future state. Persistence of uncertainty, however, invalidates such assumptions. Many real-world economic decisions are made under conditions of unavoidable ambiguity.

While a standard modalities of risk management, involves identification, assessment, and treatment of quantifiable risks, in a state of uncertainty persists “unknown unknowns” and ambiguity which are hard to anticipate and manage. Therefore, uncertainty often needs consensus building, the obtention of expert judgments and adapting to unforeseen events.

### Strategies for uncertainties

Practical uncertainty appraisal ab initio necessitates recognition of the distinction between risk and uncertainty in the process of managing risks. Enumerated below are suggested key strategic pillars which can be leaned against for the purpose.

#### Situational awareness

Scan the horizon for signals. Evolve an early warning signalling system. Stay close to customers, competitors and regulators.

#### Scenario Planning

It begins with the identification of key drivers of change (e.g. economic, technological, regulatory). Simulate plausible scenarios (e.g. best-case, worst-case, baseline). Prepare plans which are flexible for each scenario.

#### Subjective probability assignment:

Based on the proposition that individuals possess a degree of belief about uncertain events, risk owners may be allowed to attribute their best guessed probabilities and consequences to an appraisal of an indeterminate eventuality.

#### Conviction Narrative Theory (CNT):

CNT theorises that decision makers often use narratives – (stories or intuitive models) in decision making instead of leveraging only on probabilities or statistical methodologies which in situations of uncertainty may not be reliable. CNT emphasizes that narratives are structured mental representations having elements viz., causal relationships, temporal sequencing, and analogies. In the face of an actual unknown and unquantifiable futures, decision-making often tends to lean towards framing of narratives, emotional assessment and weaving of subjective conviction deviating from the standard

probabilistic framework.

### Min-Max framework

When assigning a subjective probability, experts can build up consensus on the likely range of events. Each expert can share their respective informed perceptions about the range of probability of an event occurring. After assessing the probability range, the decision maker can choose the maximum or the minimum probabilities provided by the experts. Alternatively, another probability in the range could be selected (perhaps somewhere in the median range), based on the preference of the decision-maker.

### Black Swan Analysis

As all historical data/information on swans showed them to have white feathers they were presumed to be white until Dutch explorer Willem de Vlamingh noticed in Australia in 1967 swans with dark feathers. Thus, the term black swan event was being used to refer to very low probability events. The term black swan popularised by Nassim Nicholas Taleb being used as a metaphor for the truth that events that have not occurred so far do not negate happening thereof in the future. The metaphor is a proof of the fallacy of assumption. A set of conclusions can be invalidated once a premise is proved to be incorrect and not tenable. The black swan events refer to rare events having significant impacts that spring surprises. It is often inappropriately attempted to rationalized ex post in the hindsight.

Black swan events are rare and high impact events which can not be forecast based on historical data and statistical models. Such events are seemingly impossible ex ante. Black swan analysis involves deliberations over plausible scenarios wherein seemingly implausible occurrences of significant impactful events may come as surprise. One objective of such analysis is to enhance resilience against each potential trigger. An entity through objective analysis should attempt to strengthen resilience in dealing with each potential trigger for black swan events. To mitigate the impact of black swan event entities should undertake real time threat assessment of unlikely but possible events and put in place impact mitigation strategies in the

event of the event unfolding. The black Swan events are all outliers which need more closure study for building up of the system resilience against eventual fateful occurrence thereof. The Global financial crisis of 2008 and Covid19 pandemic are examples of Black Swan events.

### Grey Rhino Analysis

Grey Rhino refers to highly probable and high impact events which are ignored threats despite being foreseeable until it is too late. Grey Rhino are surprises of random type which occur following a series of warnings and visible evidence. Climate change triggered crises are examples of Grey Rhino. These are high probability high impact but slow-moving events. Clearly, being highly likely events, they are identifiable though it would be difficult to predict such events. A financial market crash may be an example of such event. While many visible factors like high inflation, expanding volume of debt in the system and alarming increase of NPA, evolving adverse geopolitical developments, political instability, policy paralysis may point towards impending financial turmoil it often gets ignored and the party would continue until it would be too late.

Among the Gray rhinos in global scenario is the risk of conflicts in Russia, Ukraine, Israel, Iran, Hamas. Other rhinos may be a major escalation with cooling relationships among nations and international and domestic pressure against specific governments that have potential to trigger escalation in direct or proxy conflict.

Organizational readiness for such events is vital. Taking due cognizance thereof organisations are well advised to build up preventive defence by putting in place strategic alertness plans for avoidance of catastrophe. Grey rhino events can have potential to entail extremely adverse impact particularly if firms fail to take cognizance of warning signs and deficient in preparedness.

### Resiliency

Strategic resiliency built into the system can

Uncertainty is about the state wherein assignment of future probabilities to unknown future states would not be possible

be effective in circumstances wherein it may not be possible to quantify risks or even not clearly understood for scanty historical data. Organizational resiliency can be upgraded through strategic nurturing of greater flexibility, diversification, strategic built up of redundancy in the system, enhancing psychological capability to meet unforeseen eventualities, and adoption of iterative and adaptive process in decision making. Besides, putting in place an early warning system, building social connections and

support networks, carrying out periodic drills of responses to potential disruptions can improve preparedness and enhance resilience against unforeseen events.

Near miss events are small failures arising in day-to-day operations without posing any immediate concern. People have an innate tendency to misinterpret or ignore the latent warnings embedded in these failures, and consequently they often go uncared for or, irrationally, are viewed as of resilience of the system. Yet these seemingly innocuous events often foreshadow or gives an anticipatory sign of an erupting crisis with slight change of conditions, or if luck does not favour. Such things happen due to cognitive biases in managers. Managers must recognise and learn from near misses. Increasing alertness is necessary when time and cost pressures are high. It would be strategically important to watch for deviations in operations from the prescribed norms, to decipher the root causes, to make decision makers accountable for near misses, to visualize worst case scenarios and to be in the lookout for near-misses veiled as successes. Hiding of the near miss events may turn out to be fatal for the organisation. Therefore, individuals may be incentivised to expose near-miss events.

### Build Optionality

Maintain flexibility in decisions (e.g. phased investments, modular design) avoiding

over-commitment to one path. Invest in options that provide upside potential with limited downside.

## Conclusion

Continued spectacular technological developments have been constantly reconfiguring the pattern and dimension of business across the globe. Consequently, the world has been evolving into intricate system, made up of complex topology tangled networks of relationships and other interdependent factors. Black Swan events are increasingly dominating the milieu. Increasing Complexities tend to increase the occurrence of Black Swan events and also make forecasting even ordinary events impossible. In the circumstances, instead of trying to anticipate low-probability, high-impact events, an attempt should be made to reduce organisational vulnerability to them.

Risk assessment relies heavily on objective probabilities and known outcomes that are sparingly available. Consequently, economic agents often resort to the use of subjective probabilities to combat adversities and in simulating a most likely scenario. Uncertainty analysis enables risk managers to provide a more complete risk assessment to decision makers. Such analysis would better the preparedness of economic agents in facing future hazards and threats.

Precisely quantifying vulnerability is not possible. However, managers can reduce uncertainty by evolving ways to understand key drivers and

possibilities so that surprises cease to be less surprising.

Organizations and individuals are definitely poor at judging the likelihood of uncertain events. Cognitive biases are commonly known to skew judgment. They influence people to succumb to herd mentality, to look for information which corroborates their views, and to strive to prove just how right they are.

Use of the methods of uncertainty analysis outlined hereinabove would facilitate systematic assessment of potential uncertainties that might impact organisational decision making besides supporting good decision making based on available data/information. **MA**

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# EMPOWERING MSMEs THROUGH EFFECTIVE BANKING & FINANCE: THE ROLE OF COST ACCOUNTANTS

## Abstract

Micro, Small and Medium Enterprises (MSMEs) are the growth engine of the Indian economy, contributing significantly to employment, manufacturing, exports, and inclusive growth. However, their full potential remains untapped due to persistent challenges in *accessing and managing finance*. Effective banking and financial practices are critical for their sustainability and scalability. In this context, Cost Accountants play a pivotal role by bridging the gap between MSMEs and financial eco-system. With their expertise in financial planning, cost control, credit assessment, and compliances, CMAs can empower MSMEs to become financially disciplined and growth-ready. This article explores how Cost Accountants can become strategic partners in MSME growth by enhancing their financial literacy, improving creditworthiness, and facilitating access to formal finance.

## Introduction

**M**icro, Small and Medium Enterprises (MSMEs) are the backbone of the Indian economy. With over 63 million enterprises contributing nearly **30% to the GDP**, **48% to exports**, and employing over **110 million people**, MSMEs are engines of economic growth, employment generation, and regional development. However, despite their critical role, MSMEs face persistent challenges, especially in the areas of **banking, finance, business performance and financial management**.



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Among the key enablers who can support MSMEs in overcoming these challenges are **Cost and Management Accountants (CMAs)**. Their training, expertise, and regulatory position make them uniquely positioned to help MSMEs enhance financial efficiency, secure funding, manage costs, and ensure long-term sustainability.

*This article explores the centrality of banking and finance in MSME growth, identifies major issues MSMEs face, and illustrates how CMAs can play a transformative role in strengthening this segment — thereby contributing to India's larger economic vision.*

## MSMEs and Their Financial Ecosystem: An Overview

### 1. Importance of Banking & Finance for MSMEs

Finance is often called the lifeline of any business, and this is particularly true for MSMEs. The ability to access, deploy, and manage financial resources directly impacts a small business's survival and success.

Key financial functions include:

- ⊙ **Working Capital Management**
- ⊙ **Project Financing**

- ⊙ Profit Planning and Monitoring
- ⊙ Cost Control & Profitability Analysis
- ⊙ Pricing & Budgetary Control
- ⊙ Financial Reporting & Compliance
- ⊙ Access to Institutional Credit

Yet, MSMEs remain **chronically under-financed** – mainly due to economic conditions. As per the IFC Report, the credit gap for MSMEs in India is estimated at over **₹25 lakh crore**.

## 2. Key Financial Challenges Faced by MSMEs

- ⊙ **Lack of Formal Documentation:** Many MSMEs operate informally with weak books of accounts, making it difficult to approach banks.
- ⊙ **Poor Financial Literacy:** Owners often lack the basic understanding of cost structures, pricing, and working capital cycles.
- ⊙ **Proposal Presentation:** Most of the MSMEs lack the knowledge on how to make an effective presentation to Banks for their Financial requirements.
- ⊙ **Low Creditworthiness:** Due to poor financial records, credit scores and ratings are low.
- ⊙ **Inadequate Cost Control:** Absence of cost management leads to price undercutting and cash losses. Good cost management & control can help optimise operations.
- ⊙ **Inefficient Use of Funds:** Funds are diverted to non-business activities due to a lack of discipline or monitoring.

## The Role of Cost and Management Accountants (CMAs)

### 1. Understanding the CMA Profession

Cost and Management Accountants (CMAs) in India are governed by the **Institute of Cost Accountants of India (ICMAI)**, a statutory body under an Act of Parliament. CMAs are financial strategists trained in:

- ⊙ Designing and implementing costing systems and control
- ⊙ Budgeting and forecasting
- ⊙ Management accounting

- ⊙ Internal financial controls
- ⊙ Taxation and regulatory compliance
- ⊙ Project evaluation and investment decisions

Unlike Chartered Accountants (CAs), who primarily focus on audit, tax and financial reporting, *CMAs specialize in cost efficiency, profitability enhancement, and decision support systems — making them ideally suited for MSMEs.*

## How CMAs Can Empower MSMEs in Banking & Finance

The unique financial and operational challenges of MSMEs make them ideal candidates for professional financial management. Here's how CMAs can intervene effectively:

### 1. Improving Financial Discipline & Systems

CMAs can help MSMEs:

- ⊙ **Establish sound accounting systems** using Tally, ERP, or cloud platforms
- ⊙ Annual budgets, **cash flow and working capital statements**
- ⊙ Prepare and maintain proper **books of accounts** for financing needs
- ⊙ Develop monthly and quarterly **MIS reports** to monitor performance

**Impact:** Enhances effective business monitoring, transparency, facilitates better business decisions, and builds trust with banks.

### 2. Facilitating Access to Bank Credit

CMAs act as enablers between MSMEs and financial institutions. They can:

- ⊙ **Assess fund requirement** based on working capital and project needs
- ⊙ Prepare **project reports and DPRs (Detailed Project Reports)** for loan applications
- ⊙ Help in completing **CMA Data formats** required by banks
- ⊙ Liaise with banks to ensure documentation is correct, complete, and persuasive

**Impact:** Increases **CREDIBILITY** with financiers and hence chances of loan approval and reduces

processing time.

### 3. Cost Control and Profitability Enhancement

Most MSMEs operate with thin margins and often fail to identify profit leakages. CMAs can:

- ⊙ Conduct **cost audits and variance analysis**
- ⊙ Identify unproductive cost centres and inefficiencies
- ⊙ Develop **product-wise or customer-wise profitability models**
- ⊙ Introduce **standard costing and benchmarking practices**

**Impact:** Boosts bottom line, helps in rational pricing, and strengthens competitiveness.

### 4. Project Evaluation and Capital Budgeting

Before investing in capacity expansion or diversification, MSMEs require sound feasibility analysis. CMAs can:

- ⊙ Prepare **capital expenditure proposals**
- ⊙ Do **cost-benefit analysis** and financial projections with the **payback** period of investment
- ⊙ Conduct **sensitivity and risk analysis**
- ⊙ Suggest **debt-equity mix**, subsidies, and funding avenues

**Impact:** Reduces financial risk and ensures better ROI on capital investments.

### 5. Working Capital Management

Efficient working capital ensures business stability. CMAs support MSMEs by:

- ⊙ Analyzing **receivables and payables cycles**
- ⊙ Improving **inventory management**
- ⊙ Monitoring **bank limits utilization**
- ⊙ Introducing **credit control policies**

**Impact:** Optimizes liquidity and improves operating efficiency.

### 6. Compliance with Regulatory Requirements

MSMEs are required to comply with various statutory obligations:

- ⊙ GST, Income Tax, Companies Act

- ⊙ Udyam Registration, MSME Annual Returns
- ⊙ Credit rating, Environmental norms

CMAs can:

- ⊙ Ensure **timely compliance**
- ⊙ Avoid penalties and interest
- ⊙ Conduct **internal audits and health checks**

**Impact:** Builds *credibility and trust* among lenders, investors, and stakeholders.

### 7. Credit Rating and Financial Health Monitoring

CMAs play a crucial role in preparing MSMEs for credit rating by agencies like CRISIL, ICRA, CARE, etc. They:

- ⊙ Improve financial reporting quality
- ⊙ Assist in creating **robust business models**
- ⊙ Maintain **financial ratios** as per benchmarks
- ⊙ Prepare for **credit rating interviews and site visits**

**Impact:** Higher credit rating leads to easier access to finance at lower interest rates.

### 8. Advisory on Government Schemes & Subsidies

Many MSMEs are unaware of various government support schemes such as:

- ⊙ CGTMSE, SIDBI funding, Mudra Loans
- ⊙ Interest Subvention Schemes
- ⊙ PMEGP, Startup India, MSME Champion Schemes

CMAs help in:

- ⊙ **Identifying eligible schemes**
- ⊙ Preparing required documentation
- ⊙ Tracking fund utilization and compliance

**Impact:** Ensures MSMEs benefit from government incentives and reduces financial burdens.

### CMA as a Strategic Partner in MSME Growth

Unlike one-time consultants or compliance vendors, CMAs can become **long-term partners** in an MSME's financial journey.

They act as:

- ⊙ **Interpreters of Financial Data**
- ⊙ **Business Performance Monitors**
- ⊙ **Risk Managers**
- ⊙ **Strategic Advisors**
- ⊙ **Cost Efficiency Engineers**

**Case Example:** A medium-scale manufacturer of auto components in Pune was facing working capital stress and losing orders due to poor pricing. A CMA intervened, redesigned the costing model, optimized working capital, and helped raise a ₹3 crore term loan. Within a year, the unit turned around with 20% improved margins.

### Policy-Level Role of CMAs in Strengthening MSME Ecosystem

CMAs are not only enablers at the enterprise level but also serve the **nation-building agenda** by contributing to policymaking, especially for MSMEs:

#### 1. Involvement in Government Panels

CMAs can be part of:

- ⊙ RBI committees on MSME financing
- ⊙ MCA working groups on SME reporting
- ⊙ Finance Ministry panels on costing and pricing
- ⊙ GST Council sub-groups

#### 2. Representation through ICAI

The Institute of Cost Accountants of India has been advocating:

- ⊙ Mandatory cost audits for larger MSMEs
- ⊙ Recognition of CMAs in banking sector for project appraisals
- ⊙ Standardized MIS and costing practices for MSMEs

### Recommendations to Institutionalize CMA Support for MSMEs

To maximize the impact of CMAs in the MSME sector, the following should be considered:

#### 1. Mandatory Financial Monitoring for Larger MSMEs

MSMEs with turnover above say Rs. 50 crores can be mandated to appoint a CMA for:

- ⊙ Preparing annual Budgets
- ⊙ Quarterly financial reviews – particularly Profitability analysis
- ⊙ Cost analysis reports
- ⊙ Working capital efficiency reports

#### 2. CMA Panel at Banks

Banks and NBFCs should empanel CMAs for:

- ⊙ Project appraisal
- ⊙ Financial monitoring of loan accounts
- ⊙ Rehabilitation and restructuring cases

#### 3. Government Scheme Linkages

Subsidies and incentives should be linked with:

- ⊙ Standardized financial reporting
- ⊙ Cost-benefit analysis certified by CMAs

#### 4. CMA Helpdesks in Districts

ICMAI can create MSME helpdesks across districts for:

- ⊙ Free advisory
- ⊙ Basic financial health checkups
- ⊙ Credit-readiness evaluation

### Conclusion

India's journey toward becoming a \$10 trillion economy rests heavily on the shoulders of its MSME sector. However, no amount of ambition can translate into achievement unless MSMEs are empowered financially — in thought, practice, and access.

Cost and Management Accountants are uniquely positioned to bridge the gap between MSMEs and sound financial management. Their expertise in cost control, financial systems, banking processes, and compliance makes them indispensable for small businesses seeking sustainable growth.

It is time that MSMEs actively leverage the power of CMAs — not just as compliance officers but as

**growth navigators.** At the same time, policymakers and institutions must acknowledge the critical role CMAs can play in nation-building through MSME development.

**As India stands at the cusp of exponential growth, empowering MSMEs through effective banking, finance, and professional cost management is not a choice — it is a national imperative. MA**

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By Ravi Venkatesan
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  - Provides international best practices, financial inclusion strategies, and frameworks for assessing MSME creditworthiness — areas where CMAs can add value.  
<https://www.worldbank.org>

## Corporate Corner

# Congratulations!!!



**CMA Kshirod  
Chandra Nanda**

Our heartiest congratulations to CMA Kshirod Chandra Nanda on assuming the office of Director (Finance & Corporate Affairs) of GRIDCO Ltd, a Govt. of Odisha undertaking w.e.f 1<sup>st</sup> July 2025.

He is an Associate Member of the Institute, M.B.A. (Finance) from K.J. Somaya, Mumbai and associated with ICMAI-Sambalpur Chapter since 2008 in different capacities as Chairman & Secretary.

He is having rich post qualification experience of more than 30 years in the field of Finance-NBFC, Steel Industry (Audit, Accounts & Costing), Rubber industry & power sector (Distribution).

Prior to assuming charge of Director (F&CA) of GRIDCO Ltd, he was Sr. GM (Regulatory Affairs & Strategy) at TPWODL (formerly WESCO Utility) of more than 25 years in various areas viz. Finance & Accounts, Pre-audit, Franchisee Operation-commercial & Regulatory wing under different capacity. His immense contribution in the Odisha power sector (Distribution) brings many new ideas and concept in Regulatory domain for sustainable Retail Supply Tariff across Odisha.

We wish CMA Kshirod Chandra Nanda the very best for all his future endeavours.

# ENVIRONMENTAL VIOLATION & AUGMENTATION PROVISIONS - THE ROLE OF A COST & MANAGEMENT ACCOUNTANT

## Abstract

The tremendous growth of industrial activity, especially, mining and power sector has seen resistance from the public at large because of damage being caused to natural resources. The environmental violations are on the rise due to rapid industrialisation. Industries are being grounded without prior approvals w.r.t. Environmental Clearances (ECs). Post facto approvals for the same are on the rise. It is worth mentioning that The Hon'ble Supreme Court has struck down the practice of awarding post facto ECs through its landmark judgement (Vanashakti vs. Union of India, Dt.16.05.2025, WP(C) No. 1394 of 2023).

Violations of the conditions imposed in the ECs have to be made good through Remediation Plans and bettered through implementation of Environmental Augmentation plans.

This paper is a humble attempt to highlight the types of Remediation and Augmentation Plans, various legislations and the role of regulatory/implementation agencies. The proactive role of a Cost & Management Accountant in guiding the Management regarding choosing a right path to maintain a harmonious relationship between the industry and the environment is also discussed.



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### Introduction:

Of late India has been seeing phenomenal growth in its Core sector viz., Coal, Crude oil, Natural gas, Refinery products, Fertilisers, Steel, Cement and Electricity. The Core sector contributes to around 40% of the Index of Industrial Production. This growth rate is the harmonious result of the efforts

put in by the Public as well as the Private Sector. This positive growth has not been devoid of its ill-effects on the society as a whole. The society has been crying foul of the environmental damage caused due to tremendous industrialisation and indiscriminate tapping of natural resources, a point beyond which the availability of these natural resources to the future generations remains a doubt. To have a control over

the breach of excessive and permissible limits of natural resources, the Government has been trying to bring in rules, regulations and guidelines by enacting various Acts and establishing monitoring agencies. A humble attempt has been made in this paper to throw light on the efforts of the monitoring agencies to mitigate the environmental damage and augment the available resources. This paper discusses such various plans introduced and implemented over the years in our country. It also tries to highlight the role of a Management Accountant in ensuring that the industry does not breach the limits. The role of a Management Accountant is a proactive one to ring the alarm bells so that Companies do not have to pay a heavy price for such a breach.

### **Environmental Damage by the industries:**

The environmental damage by the Mining, Refinery, Steel, Cement and Electricity companies include land degradation, deforestation, top soil erosion, release of pollutants into the atmosphere, habitat destruction like displacement of wildlife, damage to biodiversity, release of effluents into the water bodies, release of heavy metals leading to contamination of the environment, greenhouse gas emissions, noise pollution, Nutrient runoff, Groundwater contamination, Disruption of food webs, Wastewater Discharge, Dust Deposition, Global Warming. The list is exhaustive as no industry is devoid of effluents and the lack or absence of voluntary checks has aggravated the issue.

### **Prevailing legislations:**

Legislations over the years have evolved in the country to check and penalise the offenders that damage the Environment. Major legislations are as follows:

- i. The Environment (Protection) Act, 1986
- ii. The Water (Prevention and Control of Pollution) Act, 1974
- iii. The Air (Prevention and Control of Pollution) Act, 1981
- iv. Forest (Conservation) Act, 1980
- v. Wildlife (Protection) Act, 1972
- vi. The National Green Tribunal Act, 2010.

### **Role of Regulatory agencies:**

Various Environmental Regulatory bodies exist in India that exercise control over the industry to

ensure the sanctity of the natural resources. The Ministry of Environment, Forest and Climate Change (MoEF &CC) is the key agency in formulating and granting Environmental Clearances (ECs) to all the projects to be grounded in the country. The Central Pollution Control Board (CPCB) has the authority to set benchmarks, standards and norms regarding pollution levels. At the State level, State Pollution Control Board (SPCB) is the agency for the same.

As a standard procedure, Environmental Clearances (ECs) are to be granted before grounding of the project after following the due procedure. The grant of ECs are governed by the Environment Impact Assessment (EIA) Notification, 2006, issued under the Environment (Protection) Act, 1986. However, in some of the projects post facto ECs have been issued under exceptional circumstances; meaning that projects have been grounded and ECs have been issued subsequently subject to certain conditions. The circumstances which lead to post facto approval can be excessive excavation beyond permissible limits in case of mining and refinery companies, emergence of unforeseen pollutants during the process, urgency to deliver the final output to keep the economy going and the like. The reasons for granting such post facto approvals can be to protect the public interest at large, to mitigate job losses, avoid economic instability in the country etc.

It is worth mentioning that The Hon'ble Supreme Court has struck down the practice of awarding post facto ECs through its landmark judgement (Vanashakti vs. Union of India, Dt.16.05.2025, WP(C) No. 1394 of 2023).

### **Remediation/Augmentation plans for Environmental Violation:**

In cases where post facto approvals are given, the same come with certain impositions. These are commonly called Violation category obligations that are in the nature of Remediation and Augmentation Plans. Although there exists a fine differentiation between the two, both are synonymously used in the industry. The same are discussed below:

#### **Remediation Plans:**

A Remediation plan is a well thought out plan/strategy to make good the loss suffered by the damage to the natural resources and in the public affected by it. It is evolved after a well chalked out programme in a systematic way identifying the extent of damage,

root cause of the issue, the related parties involved in it and the corrective action to be taken so that the damage caused as a result of indiscriminate industrial pollution is mitigated. The remediation plans can relate to Soil, Air, Groundwater, Surface water, flora, fauna etc.

### Augmentation Plans:

An Augmentation Plan can be said to be an extension of the Remediation Plan wherein it encompasses activities to enhance and enrich the restored natural habitat or resource. It enhances the quality and better the damaged natural resource from a state that it was as earlier.

Different types of Remediation Augmentation plans are as follows:

- a. Natural Resource Augmentation Plan (NRAP)
- b. Community Resource Augmentation Plan (CRAP)
- c. Natural & Community Resource Augmentation Plan (NCRAP)

### Natural Resource Augmentation Plan (NRAP):

Natural Resource Augmentation Plan (NRAP) is an action plan to replenish and enhance the quality of **natural resources for sustainable long-term development**. It involves activities to restore or improve ecosystems involved, increase the availability of resources to the affected public and finally to minimise the adverse impact of industrial activities. Examples could include Energy conservation by adopting Renewable Energy technologies by providing Solar Street Lighting facilities, Rainwater harvesting services etc.,

### Community Resource Augmentation Plan (CRAP):

Community Resource Augmentation Plan (CRAP) is an action plan arrived to compensate and enhance the living conditions of the community affected by the disruption caused due to implementation of the industrial units. The measures involve taking up developmental activities in the villages/society which include installation of water purifying units, Entrepreneurial development program aiming make in India, building of schools, repair/widening of roads including the maintenance of the same for a considerable period.

### Natural & Community Resource Augmentation Plan (NCRAP):

Natural & Community Resource Augmentation Plan (NCRAP) is an action plan involving restoration and enhancement of both environmental and community resources that have been damaged or got affected by the concerned industries. At times, the Regulatory authorities, after careful study and feedback, impose both the obligations on the industry simultaneously.

### Check/Monitoring Mechanism:

It is compulsory to upload the Environmental Clearance (EC) with compliance reports and monitoring data to the PARIVESH (Pro-Active and Responsive facilitation by Interactive, Virtuous and Environmental Single-window Hub) portal. The same needs to be uploaded on the website of the concerned Company. It is to remember that award of compensation in monetary terms is not the spirit of these plans. The Remediation and Augmentation plans i.e. NRAP, CRAP and NCRAP have to be implemented on the ground level by the concerned industries in true spirit and compliance reports and monitoring data need to be submitted.

In order to ensure that the concerned Companies implement the specified Remediation/Augmentation plans, a bank guarantee is generally required to be submitted to the regulatory bodies. It serves as a financial obligation to cover the costs associated with the Remediation/Augmentation plan if the Company fails to implement the activities.

### Accounting Treatment in the Books of Account:

As per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets - A provision shall be recognised when: (a) an entity has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation.

Based on the above standard, it can be inferred that an entity has a constructive commitment or obligation to undertake the activities under NRAP, CRAP and NCRAP requiring certain amount of cash outflow that can be clearly estimated or assessed since the Environmental Clearance Certificate spells out the various environmental remediation and augmentation activities. Moreover, in certain cases, it spells out the activity-wise amounts to be incurred by the project

proponent.

In view of the above, provision needs to be made in the books of account for the amounts to be incurred in future towards obligations under NRAP, CRAP and NCRAP. The expenditure so incurred needs to be set-off against the provision created.

### The Role of a Cost & Management Accountant:

Cost and Management Accountants (CMAs) are now playing a pivotal role in guiding the management of Companies regarding the upcoming environmental related issues either from public at large or from regulatory agencies. The role of CMAs is not limited to mere costing or budgeting. They have to be acquainted to the organisation's physical installed capacities, the actual scale of operation and the repercussions of violations of environmental norms, guidelines and laws. CMAs have to assess the environmental liabilities, decommissioning liabilities, pollution related penalties vis-à-vis the revenues being earned. They have to be proactive and ring the alarm bells so loud that the management gets a wake-up call to avoid environment degradation. In order to do so, a CMA has to constantly look into the Management Information System (MIS) reports.

CMAs have to also look into the aspect of meeting

the cost of adherence to environmental regulations by suggesting the management to shift to green technologies emerging worldwide. This can only be done if CMAs have the ability to gauge the benefits so derived when compared to the cost of establishing the infrastructure for renewable energy sources. Capital rationing from the existing resources needs to be done for alternative sources of energy.

CMAs have to play an active role in the Environmental Audits and have to ensure that the provisions are in line with the Ind AS and cost standards. Apart from this, disclosures in the form of compliance reports in the portals, Annual reports of the entities are also the responsibility of a CMA.

Finally, a CMA is the torch bearer for advocating environmental consciousness in the industrial world.

MA

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Ref.: G/128/07/2025

Date : 31.07.2025

### NOTIFICATION

In pursuance of Regulation 146 of the Cost and Works Accountants Regulations, 1959, the Council of the Institute at its 360th Meeting dated 21st May 2025 and adjourned to 14th July 2025 by virtue of power conferred therein has decided to change the name of "The Institute of Cost Accountants of India, Indore Dewas Chapter" to "The Institute of Cost Accountants of India, Indore Chapter".

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(CMA Dr. Debaprosanna Nandy)

Secretary (Officiating)

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## Guidelines for Submitting Articles

- Contributors are requested to send soft copies (in MS Word format) to The Editor, The Management Accountant at [editor@icmai.in](mailto:editor@icmai.in).
- In case of theme article, the soft copy to be mailed to the above stated mail ID latest by 1st of the preceding month in which the article is sought to be published. That is, for an article to be published in February, the same may be forwarded by 1st of January, at least.
- The articles must be relevant to the economy, society and the nation.
- The articles should be around 1500 to 2000 words and must be an exclusive contribution for the Journal.
- The cover page should contain the title of the paper, author's name, designation, official address, contact phone numbers, e-mail address and an abstract of not more than 150 words.
- References should be given at the end of the manuscript and should contain only those cited in the text of the manuscript.
- The contribution must be original in nature and is neither published nor under consideration for publication anywhere else. A scanned copy of signed Declaration by the author is to be attached with the article. The format of the declaration is given below.
- A scanned passport size photograph (at least, 600 dpi) of the author and in case of joint authorship of all the authors should also be mailed along with the soft copy of the article.
- Figures and tables should be numbered consecutively and should appear near the text where they are first cited. **The figures must be in editable format.** Captions of the figures and tables are to be given at the bottom and at the top respectively. Headlines of the sections and sub-sections should start from the left-hand margin.
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# DIGITAL BHARAT AND THE TECH – READY CMAs

## Abstract

Digital Bharat aims to create an inclusive and tech-driven India by closing the gap between urban and rural areas through digital infrastructure and services. Initiatives like UPI, Aadhaar, DigiLocker, and cloud-based platforms are changing how we govern, manage finances, and access public services. However, challenges such as cybersecurity, digital literacy, and infrastructure gaps still exist. Cost and Management Accountants (CMAs) help with this transition by promoting financial digitization, ensuring compliance, and improving digital literacy. Their role is essential for making the digital transformation sustainable, efficient, and impactful.



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## Introduction

**T**he goal of “Digital Bharat” is to use technology to close the gap between urban and rural areas and make India a digitally empowered and inclusive society. Technology is making it possible for people all over the nation to access financial, healthcare, education, and governance services thanks to programs like Digital India and BharatNet as well as the quick availability of smartphones and internet connectivity. By helping companies and government organizations in implementing digital financial systems and fostering digital financial literacy. CMAs are essential to achieving the objectives of a genuinely digital and economically resilient Bharat because they also support policymaking

and capacity building.

## Technology in Digital Bharat

- **Digital payment platforms like UPI** - Unified Payments Interface (UPI) is a real-time digital payment platform developed by the National Payments Corporation of India (NPCI). It allows users to instantly transfer money between bank accounts using a mobile phone, without needing bank details—just a Virtual Payment Address (VPA), phone number, or QR code.
- **Aadhaar as an Authenticator** - Aadhaar is not just an identity document. It also serves as an authentication tool. It verifies a person’s identity using biometric (fingerprint or iris) or demographic data. When someone provides their Aadhaar number and agrees to authentication, their identity can be verified online through the UIDAI (Unique Identification Authority of India) system.
- **Government Services** - DigiLocker, e-SHRAM are important digital platforms that provide government services as part of the Digital Bharat initiative. DigiLocker lets citizens securely store and access official documents, such as Aadhaar, driving licenses, and educational certificates

online. This reduces the need for physical copies. e-SHRAM is a national database for unorganized workers. It gives them a unique ID and allows them to access social security benefits.

- **Cloud computing and AI-based platforms** play a key role in driving Digital Bharat by enabling scalable, efficient, and smart delivery of services. Cloud computing allows government departments, startups, and businesses to store and access data remotely. This reduces the need for physical infrastructure and makes digital services more affordable and accessible. Platforms like MeghRaj, the government's cloud initiative, support e-governance and public service applications.

At the same time, Artificial Intelligence (AI) is used for data-driven decision-making in fields like agriculture for crop prediction, healthcare for diagnostics, and education.

### Challenges going forward –

While Digital Bharat has made significant progress, several challenges remain:

- ⦿ **Cybersecurity and Data Privacy:** With increasing digital transactions and data collection, concerns around data breaches, misuse, and privacy are growing.
- ⦿ **Infrastructure:** Many rural and remote areas still lack reliable internet access and digital infrastructure, limiting equal participation.
- ⦿ **Digital Literacy:** A large section of the population, especially in rural India, lacks the skills to use digital tools effectively, creating barriers to access and false news and public propaganda can be widespread with lack of digital literacy.
- ⦿ **Resistance to Change:** Some government departments, businesses, and users are still hesitant to shift from traditional to digital systems.

### Role of CMAs in growth of Digital Bharat

Cost and Management Accountants (CMAs) play an important role in boosting the growth of Digital Bharat by improving financial efficiency, encouraging digital adoption, and supporting policy implementation. CMAs help businesses, especially MSMEs, shift to digital accounting systems, implement ERP solutions, and adopt e-invoicing and GST compliance using online platforms. They use data analysis, cost audits, and performance reviews to support decision-making and resource use, which is crucial in a digital economy.

CMAs also train entrepreneurs and local businesses in financial literacy and digital tools, helping to reduce the digital gap. By advising on cost-effective strategies, ensuring compliance with regulations, and contributing to public policy, CMAs strengthen the financial foundation of Digital Bharat. Their expertise makes sure that digital transformation is not only about technology but also sustainable, efficient, and financially sound.

### Conclusion

In conclusion, **Digital Bharat** represents a transformative journey toward a more inclusive, efficient, and technology-driven India. By leveraging advancements in internet connectivity, digital payments, cloud computing, and AI, the nation is bridging gaps across education, healthcare, governance, and finance. CMAs play a vital role in this ecosystem by promoting digital financial management, ensuring cost efficiency, and supporting compliance and capacity building. While challenges like digital literacy and infrastructure remain, continuous innovation and collaboration among government, industry, and professionals like CMAs will be key to realizing the full potential of Digital Bharat—creating a prosperous and digitally empowered society for all. **MA**

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# *Down The Memory Lane*

August, 2015



The Confederation of Indian Industry and the Institute jointly organized FinCon 2015 on imbining change held on August, 19, 2015 at Raipur. From Left: Shri Mahendra Agrawal, CMA Manas Kumar Thakur, Vice President of the Institute, Shri Vijay Maheshwari, Co Chairman, Economic Affairs, Finance & Taxation subcommittee, CII Eastern Region, Shri Ashish Jain, Chairman, CII Chhattisgarh State Council, Shri Jayanta Jash, Chief General Manager, Securities and Exchange Board of India, Shri CS Jog, Executive Director, Resurgent India Ltd, Shri H Tekchandani

August, 2005



Rakesh Kumar Jain, Chief Guest, inaugurating the function of Two Day CEP Residential Programme organized by Pune Chapter of Cost Accountants jointly with WIRC of ICWAI on 27th and 28th August 2005 at Pune. Seen in the picture from left are: S.R. Bhargave, Past Chairman, WIRC, Dr. S.U. Gawade, Chairman, PCCA, K.G. Goyal, CCM, Chandra Wadhwa, CCM, Dhananjay V Joshi, CCM, Dr. N.M. Vechalekar, Hony. Secretary, WIRC and Amit Apte, Chairman, PD Committee, PCCA



A.C. Swain and S. Patra, Sr Members of Cuttack Bhubaneswar Chapter of ICWAI, are felicitating Pravakar Mohanty, President of ICWAI on 3.8.2005 at Hotel Presidency, Bhubaneswar

# *Down The Memory Lane*

August, 1995



A discussion-cum lecture meeting on Activity Based Costing was arranged on 6 August 1995 by the Pune Chapter

August, 1985



From L to R:

Shri M.K. Kanade, Chairman, Poona Chapter; Shri V.P. Dabke; Shri K. Gavindan speaking on 3rd August, 1985 at a lecture meeting organized at Pudumjee Hall of Mahratta Chamber of Commerce Pune

August, 1975



A Seminar was organized on 9th August, 1975 on the theme "Management-Its dynamic concepts". Shri Kuruvilla, Financial Expert from M/s Telco inaugurated the seminar



Shri B.R. Gupta, Chief Secretary, Government of West Bengal, delivering his Inaugural Address on 16th August, 1975 at the three tier training course on "Cost and Management Accountancy" for U.P



Shri B. Mukherjee, Deputy Secretary, Bureau of Public Enterprises, Government of Uttar Pradesh addressing at the Inaugural Function

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

#### **GST Day Celebration**

The ICAI-Bhubaneswar Chapter commemorated GST Day on July 1, 2025, with a program titled "GST Appellate Mechanism – Key Aspects and Procedure." The event was held at CMA Bhawan and featured an inaugural address by Shri Bijoy Kumar Kar, retired Chief Commissioner of GST.

The keynote speakers, CMA Niranjan Swain and CMA Barada Prasan Nayak, provided a detailed analysis of the appellate mechanism and its impact. CMA Damodar Mishra, Secretary of ICAI-EIRC, attended as a special guest. The event was coordinated by CMA Barada Prasan Nayak and facilitated by CMA Soumya Ranjan Jena.

More than 100 people attended the event, which was presided over by Chapter Chairman CMA Sarat Kumar Behera. The program concluded with a vote of thanks from Past Chairman CMA Surya Narayan Tripathy.

#### **CMA Career Awareness Programme at ICPS**

On July 2, 2025, the ICAI-Bhubaneswar Chapter held a CMA Career Awareness Programme at Integral Coaching for Professional Study (ICPS) in Bhubaneswar. The event featured CMA Saktidhar Singh, a past chairman of the chapter, who spoke in detail about the career opportunities and curriculum of the CMA course. The session was attended by 50 commerce students and faculty members from ICPS, who actively participated in a Q&A session.

#### **CAT Course Inauguration at CMA Bhawan**

On July 9, 2025, the ICAI-Bhubaneswar Chapter held an inaugural function for the Certificate in Accounting Technicians (CAT) course. The program, organized in partnership with the Directorate General of Resettlement (DGR), is designed for retiring/retired Junior Commissioned Officers (JCOs) and other ranks.

The inauguration was led by Chief Guest Col. Kirtiman Gautam Mohanty, alongside CMA Sarat Kumar Behera, Chairman, and CMA Surya Narayan Tripathy, Past Chairman of the ICAI-Bhubaneswar Chapter. The event was also attended by several

faculty members of the CAT course.

#### **CMA Career Awareness Programme at SP Commerce Hub**

On July 9, 2025, the ICAI-Bhubaneswar Chapter organized a CMA Career Awareness Programme at SP Commerce Hub in Bhubaneswar. CMA Santanu Kumar Rout, a past chairman of the chapter, was the speaker. He provided an in-depth overview of the career opportunities and curriculum associated with the CMA course. The session saw active participation from 60 commerce students and faculty members who had their questions and queries answered.

#### **CMA Career Awareness Programme at BJEM School**

On July 10, 2025, the ICAI-Bhubaneswar Chapter conducted a CMA Career Awareness Programme at Buxi Jagabandhu English Medium School (BJEM) in Bhubaneswar. The session featured CMA Sarat Kumar Behera, Chairman, and CMA Avinash Kotni, Vice-Chairman of the chapter, who provided a detailed overview of the career opportunities and curriculum of the CMA course. The program saw active participation from approximately 80 commerce students and faculty members, who engaged in a Q&A session to clarify their queries.

#### **Seminar on Social Stock Exchange**

On July 11, 2025, the ICAI-Bhubaneswar Chapter hosted a seminar at CMA Bhawan on the topic, "Social Stock Exchange and Emerging Professional Opportunities." The session was led by CMA Dr. S.K. Gupta, Managing Director of ICAI Registered Valuers Organisation, who served as the resource person.

The event began with a welcome and keynote address from CMA Sarat Kumar Behera, Chairman of the chapter. CMA Barada Prasan Nayak, Chairman of the PD Committee, facilitated the program, and CMA Surya Narayan Tripathy, a past chairman, delivered the vote of thanks. The seminar saw participation from over 80 attendees.

#### **Strategy Session for CMA Foundation Pass Students**

On Sunday, July 13, 2025, the ICAI-Bhubaneswar Chapter held a Strategy and Interactive Session for

students who successfully passed the CMA Foundation exam in the June 2025 term. The session was led by chapter leaders, including Chairman CMA Sarat Kumar Behera, Vice-Chairman CMA Avinash Kotni, and CMA Rabindra Nahak. They offered motivation and guidance to the students as they prepare for the next stage of their CMA journey.

### **CMA Career Awareness Programme at Sadguru Academy**

On July 18, 2025, the ICAI-Bhubaneswar Chapter conducted a CMA Career Awareness Programme at Sadguru Academy in Nimapara. The session, led by CMA Ashok Kumar Sahani, a member of the chapter, provided a detailed overview of the career opportunities and course curriculum for the CMA program. The event was attended by 80 commerce students who actively participated and had their questions answered.

### **First Monthly Study Circle Meet at CMA Bhawan**

On July 26, 2025, the ICAI-Bhubaneswar Chapter held its first Monthly Study Circle Meeting at CMA Bhawan. The purpose of the meeting was to keep members updated on the latest developments in Income Tax, GST, and other professional topics.

The session was attended by CMA Sarat Kumar Behera, Chairman; CMA Soumya Ranjan Jena, Secretary; and CMA Barada Prasan Nayak, Chairman of the PD Committee. More than 20 participants joined the meeting to stay current with professional updates.

### **CMA Career Awareness Programme at Unitech Residential College**

On July 23, 2025, a CMA Career Awareness Programme was conducted at Unitech Residential College in Nayagarh. CMA Rashmi Ranjan Sarangi, a member and guest faculty of the chapter, gave a detailed presentation on the Cost Accountancy course and its career prospects. CMA Prakash Chandra Sahoo, an officer from the Bhubaneswar Chapter, also interacted with the students to answer their questions. The event saw active participation from 100 students.

### **Income Tax Day Celebration**

On July 28, 2025, the ICAI-Bhubaneswar Chapter

celebrated "Income Tax Day Celebration Week-2025" with a seminar at CMA Bhawan. The event, titled "Decoding of Income Tax Bill-2025," was inaugurated by Principal Chief Commissioner of Income Tax, Odisha Region, Mrs. Paramita Satapathy Tripathy.

CMA Niranjan Swain, a past chairman and tax consultant, served as the resource person, providing an in-depth analysis of the new bill. CMA Damodar Mishra, Vice-Chairman of ICAI-EIRC, attended as a special guest. The program was coordinated by CMA Barada Prasan Nayak, with a welcome address by Chairman CMA Sarat Kumar Behera and a vote of thanks by Secretary CMA Soumya Ranjan Jena. The event saw the active participation of over 100 people.

### **CMA Career Awareness Programme at Chakraborty Tutorial**

On July 29, 2025, the ICAI-Bhubaneswar Chapter held a CMA Career Awareness Programme at Chakraborty Tutorial in Puri. The session was led by Shri Sarojkanta Sahoo, Superintendent of the chapter, who detailed the career opportunities and curriculum of the CMA course. The program was attended by 80 commerce students who actively participated and had their questions answered.

### **ICAI Felicitation for CMA Khirod Chandra Nanda**

On July 7, 2025, CMA Khirod Chandra Nanda was felicitated by representatives from the Institute of Cost Accountants of India (ICAI) upon his appointment as Director (Finance) of GRIDCO Ltd. The felicitation took place at the GRIDCO Limited office in Bhubaneswar and was led by CMA Damodar Mishra, Secretary of ICAI-EIRC, and CMA Sarat Kumar Behera, Chairman of the ICAI-Bhubaneswar Chapter.

### **Farewell Ceremony for Shri Saroj Kanta Sahoo**

On July 31, 2025, the ICAI-Bhubaneswar Chapter held a farewell ceremony for Shri Saroj Kanta Sahoo, its Superintendent. Shri Sahoo, who joined the chapter in 1994, retired after many years of dedicated service. The members of the Managing Committee acknowledged his contributions and wished him a happy and healthy life after retirement.

## SOUTH ODISHA CHAPTER

### Evening Talk on "The Role of CMAs in the Growth of the MSME Sector"

On June 20, 2025, the chapter held an evening talk at the Chapter Conference Hall on Old Christian Street, Berhampur. The event focused on the role of CMAs in the growth of the MSME sector.

The talk featured Sri Bibhuti Bhusan Mohanty, Deputy Regional Head of Union Bank of India, as the Chief Guest. Sri Mahendra Kumar Gadatya, Head of MSME at Union Bank of India, was the Chief Speaker and Resource Person, providing a detailed presentation on the topic.

The seminar was inaugurated by CMA Akshya Kumar Swain, Chairman of the Chapter, who welcomed all guests and attendees. CMA Binod Bihari Nayak, the Secretary, and CMA Lipu Panda, Chairman of MDP, were also on the dais and contributed to the discussion. CMA Lipu Panda concluded the event with a vote of thanks.

### Observation of "GST Day Celebration Week - 2025"

The chapter organized the GST Day Celebration Week - 2025 on Monday, July 7, 2025. The event was held at the Chapter Conference Hall on Old Christian Street, Berhampur, and was based on the theme "GST@8 Strengthening Economic Unity, Powering Growth."

The seminar was inaugurated by the Chief Guest, Sri Sujeet Kumar Behera, Assistant Commissioner, CT & GST, Ganjam Range, Berhampur, who also addressed the gathering. CA/CMA Rajkiran Padhi, a Practicing Chartered Accountant, served as the resource person and delivered a detailed presentation.

CMA Akshya Kumar Swain, the Chapter Chairman, officially inaugurated the seminar with a welcoming speech. CMA Prasanta Kumar Pani, Vice-Chairman, and CMA Lipu Panda, Chairman of the MDP Committee, concluded the event by offering a formal vote of thanks.

## Glimpses of Eastern India Regional Council



*Bhubaneswar Chapter*



*Bhubaneswar Chapter*



*Bhubaneswar Chapter*



*Bhubaneswar Chapter*



*Bhubaneswar Chapter*



*Bhubaneswar Chapter*



*South Odisha Chapter*



*South Odisha Chapter*

### NORTHERN INDIA REGIONAL COUNCIL

#### HARDWAR RISHIKESH CHAPTER

##### Webinar on GST Input Tax Credit

The Hardwar Rishikesh Chapter of Cost Accountants of India held a webinar on GST Input Tax Credit on May 18, 2025. CMA Anil Sharma was the guest speaker, discussing recent developments, opportunities, and challenges. The session also included an interactive Q&A.

#### JAIPUR CHAPTER

##### Social Stock Exchange Awareness Program

The Jaipur Chapter of the ICAI and the ICAI Social Auditor Organisation hosted a Social Stock Exchange Awareness Program on June 6, 2025. Dr. Shyam Agrawal, Chairman RVO - ICAI, and Ms. Subhashani from VANI were special guests. The program featured two technical sessions. Dr. S.K. Gupta, CEO of ICAI-SAO, detailed the objectives, registration, and listing process for

social enterprises on the SSE. Following this, Ms. Harsha Ramnani, a Social Assessor, provided more details on the registration and listing process. The event also included a Q&A session and concluded with the distribution of certificates for a 50-hour valuation course. Over 25 NGOs participated in the program.

##### Social Welfare Activity

On June 8, 2025, the Jaipur Chapter, in partnership with the Smile Spreader Group, organized a social welfare activity at the State Cancer Hospital in Jaipur. Members and their families served fruits and other food items to cancer patients and their families.

##### International Yoga Day Celebration

On the morning of June 21, 2025, the Jaipur Chapter celebrated International Yoga Day with enthusiasm. Members, their families, and staff participated in a yoga session led by trainer CMA Ankita Singh. Attendees appreciated her knowledge

and passion for yoga.

## Seminar on MSME

On June 28, 2025, the Jaipur Chapter held a seminar to celebrate International MSME Day. Speakers included Shri Mukesh Gurjar from NSIC, Shri Tarun Bhatnagar from the Ministry of MSME, and CS Sandeep Jain. They discussed NSIC support services, MSME schemes, and opportunities and challenges with MCA V-3, respectively. The seminar, which had over 50 attendees, was also addressed by CMA Rakesh Yadav, Secretary of NIRC.

## Jaipur Chapter Honors Top CMA Foundation Students

On July 9, 2025, the Jaipur Chapter held a felicitation program to honor the top 10 students from the CMA Foundation Exam for the June 2025 term. The event, held at the chapter premises, was also attended by the students' parents.

The students received merit certificates from several key officials, including CMA Rakesh Yadav, Secretary of NIRC; CMA Purnima Goyal, Chairperson; CMA Deepak Kumar Khandelwal, Treasurer; and CMA Vertika Tadi, a member of the Management Committee. CMA P.D. Agarwal, Director of Coaching, was also present.

## Inauguration of Industry-Oriented Training Program

On July 14, 2025, the Jaipur Chapter inaugurated a 10-Day Industry-Oriented Training Program for CMA Final students. The program was officially launched by CMA Purnima Goyal, Chairperson of the Jaipur Chapter.

Over 75 students attended the session, which was designed to inspire and motivate aspiring CMAs. CMA Rakesh Yadav, Secretary of NIRC, was also present to encourage the students. The program was conducted by CMA Harendra Kumar Pareek, Secretary of the Jaipur Chapter.

## Valedictory Session of Industry-Oriented Training Program

The 10-day Industry-Oriented Training Program

concluded on July 24, 2025. The program, which ran from July 14, offered sessions on various topics, including Direct Tax, GST, Cost Control, and Presentation Skills. Students gained practical experience through mock group discussions and presentations.

The valedictory session was attended by Chief Guest CMA Dr. Geeta Sharma, General Manager at Steel Authority of India Ltd. During the ceremony, participants received certificates, and gold and silver medals were awarded to the winning teams. The best performers in Group Discussion and PowerPoint Presentation were also recognized. The program saw enthusiastic participation from over 80 students.

## Seminar on the Cooperative Sector

On July 26, 2025, the Jaipur Chapter hosted a seminar on the Cooperative Sector. The event featured two keynote speakers: CMA S.L. Swami, retired Senior Manager of Taxation at Apex Cooperative Bank, and CMA Sunil Pamecha, Managing Director of Fingrowth Cooperative Bank Ltd.

They shared their expertise on the opportunities available for CMA professionals within the cooperative sector and the vital role of cooperatives in the Indian economy. The seminar, conducted by Chapter Secretary CMA Harendra Kumar Pareek, was well-attended, and participants appreciated the informative sessions and the chance to network with other members.

## Career Counseling at Air Force School, Jaipur

On July 30, 2025, the Jaipur Chapter hosted a career counseling program at Air Force School, Jaipur. CMA Harendra Kumar Pareek, Secretary of the Jaipur Chapter, inspired and guided students on a future career as a Cost & Management Accountant (CMA). The session was also attended by the school's Principal, Ms. Seema Bhati, and was coordinated by CMA Neelam Gupta, HOD-ABST Commerce at the school. The program received an enthusiastic response from the students.

## Glimpses of Northern India Regional Council



*Hardwar Rishikesh Chapter*



*Jaipur Chapter*



*Jaipur Chapter*



*Jaipur Chapter*



*Jaipur Chapter*



*Jaipur Chapter*

## SOUTHERN INDIA REGIONAL COUNCIL

### Workshop on Costing in the Service Sector

On May 10, 2025, the Southern India Regional Council (SIRC) of the ICMAI hosted a one-day workshop titled "Costing in Service Sector." The event, held at the SIRC premises, focused on the theme "Strengthening Costing Frameworks: Solutions for Industry-Specific Challenges."

The workshop featured three technical sessions led by expert speakers, including a panel discussion moderated by CMA K Suryanarayanan. CMA P. Raju Iyer, former President of ICMAI, inaugurated the program, which was organized under the leadership of CMA Vishwanath Bhat, Chairman of SIRC. The event provided 4 CPE hours for participants and included the presence of several dignitaries, such as CMA TCA Srinivasa Prasad, Vice President of

ICMAI.

### **SIRC Organizes Taxation Summit**

On May 17, 2025, the Corporate Training Committee of the Southern India Regional Council (SIRC) of ICMAI hosted a one-day "Taxation Summit: Shaping the Future" at the SIRC premises. The event was honored by the presence of Chief Guest CMA Pooja Kulkarni, IAS, Special Secretary to the Government and CEO of the Tamilnadu Infrastructure Development Board (TIDB).

The summit featured sessions from distinguished experts, including Shri M. Dhinesh Kumar, Income Tax Officer, and Shri B. Senthilvelavan, IRS, Additional Commissioner of GST. Other speakers like Shri Baskaran Krishnamurthy and CMA Mohmd Rafi Syed provided insightful discussions on recent changes, including the Income Tax Bill 2025 and TDS & TCS under GST.

The program was led by CMA K. Gomathisankar, Treasurer of SIRC, and organized under the leadership of CMA Vishwanath Bhat, Chairman of SIRC. The summit offered 4 CPE hours for members and was attended by other key dignitaries, including CMA TCA Srinivasa Prasad, Vice President of ICMAI.

### **SIRC Celebrates 66<sup>th</sup> CMA Foundation Day**

On Saturday, June 7, 2025, the Southern India Regional Council (SIRC) of ICMAI celebrated its 66th CMA Foundation Day with a CMA Family Get-Together at the Ideal Beach Resort in Mahabalipuram. The event began at 3:30 PM and was attended by many members and their families.

The celebration featured addresses from key dignitaries, including CMA Vishwanath Bhat, Chairman of SIRC, and CMA T.C.A. Srinivasa Prasad, Vice President of ICMAI. They spoke about the achievements and importance of the CMA profession. The event also included various activities like music, dance, and games, promoting a sense of joy and unity among the CMA families.

### **Webinar on Industry 5.0 for CMAs**

On June 10, 2025, the Southern India Regional Council (SIRC) of ICMAI held an online Professional Development (PD) webinar on the topic "Empowering CMAs for the Industry 5.0 Era." The guest speaker was CMA Dr. S. Vasudevan, a

Strategic Management Consultant from Chennai, who provided insights into the changing role of CMAs in the era of Industry 5.0. The webinar was presided over by CMA Girish Kambadaraya, Chairman of the PD Committee, with a special address from CMA Vishwanath Bhat, Chairman of SIRC. Members from across the region participated in the event.

### **SIRC Hosts CFO Meet in Hyderabad**

On Saturday, June 14, 2025, the Southern India Regional Council (SIRC) of ICMAI successfully organized a "CFO Meet @ Hyderabad." The event was held at the Lemon Tree Premier, Hitec City, and was attended by several dignitaries.

Key attendees included CMA TCA Srinivasa Prasad, Vice President of ICMAI, and Council Members CMA K. Ch. A. V. S. N. Murthy and CMA Vinayaranjan P. From SIRC, Chairman CMA Vishwanath Bhat, and other regional council members were present. The meeting was convened by CMA Vijay Kiran Agastya and co-convened by CMA Khaja Jalal Uddin, Chairman of the Hyderabad Chapter. The event emphasized the critical role of CMAs in business, with the motto: "Behind every successful business decision, there is always a CMA."

### **SIRC Organizes COSTPULSE & TAXCON Seminar**

On June 21 and 22, 2025, the Southern India Regional Council (SIRC) of ICMAI, in collaboration with the Bengaluru and Mysuru Chapters, organized a two-day residential seminar. Titled "COSTPULSE & TAXCON – A Residential Program on Cost and Tax Management," the event was held at the Hotel Mayura Riverview in Srirangapatna, Karnataka.

The seminar was attended by 70 members and several key dignitaries, including CMA Vishwanath Bhat, Chairman of SIRC, and CMA M. Ashok Kumar, Chairman of the Mysuru Chapter. The event focused on topics related to cost and tax management.

### **SIRC Celebrates GST Day**

On July 4, 2025, the Southern India Regional Council (SIRC) of ICMAI celebrated GST Day at Vani Mahal, Chennai. The event featured sessions on "GST - A Game Changer" and "GST - Latest Updates." The Chief Guest was Shri S. Nasser

Khan, IRS, Commissioner of GST & Central Excise, Chennai Outer.

Guest speakers included Shri R. Srivatsan, IRS, Deputy Director of NACIN, and CMA Mohmd. Rafi Syed, a GST Expert. The celebration was attended by several dignitaries, including CMA TCA Srinivasa Prasad, Vice President of ICAI, and CMA Vishwanath Bhat, Chairman of SIRC.

### **SIRC Hosts Educators' Conclave and Awards Ceremony**

On July 14, 2025, the Southern India Regional Council (SIRC) of ICAI organized the Educator's Conclave – 2025, an event focused on "Redefining Professional Education for Nurturing Strategic Thinkers." The conclave, held at the SIRC Premises, was followed by a Felicitation and Award Ceremony.

The Chief Guest was Swami Dhyanaagamyana, Secretary of RKM Vivekananda College. Sessions were led by speakers Shri P. Vasudevan and CMA Vijay Kiran Agastya, covering topics such as EdTech, collaborative learning, and ethics. A special ceremony was held to honor Principals and Senior HODs from the commerce stream. All attendees received participation certificates. The event was attended by several dignitaries, including former ICAI President CMA P. Raju Iyer and SIRC Chairman CMA Vishwanath Bhat.

### **SIRC Hosts PD Meeting on Income Tax**

On Saturday, July 19, 2025, the Southern India Regional Council (SIRC) of ICAI organized a Professional Development (PD) Meeting at the SIRC Premises. The meeting focused on the topic "Navigating Income Tax Compliance and Reform: Insight into Current Practice and the Bill of 2025." The guest speakers were CMA V. Guruprasad, a Management Consultant, and CMA S. Sankaranarayanan, a Cost Accountant.

## **KOZHICODE-MALAPPURAM CHAPTER**

### **Two-Day Residential Income Tax Workshop**

The Kozhikode-Malappuram Chapter of the Institute of Cost Accountants of India (ICAI), in partnership with the Southern India Regional Council (SIRC), hosted a two-day residential Income Tax Refresher Workshop on July 12th and 13th, 2025. The event took place at the Vythiri Holiday Resort in Wayanad, offering participants a blend

of professional development and a scenic, relaxing environment.

CMA Praveen Kumar, Secretary of SIRC, inaugurated the workshop, stressing the need for continuous learning in taxation. CMA Syamly CM, Chairperson of the Kozhikode-Malappuram Chapter, welcomed attendees and highlighted the chapter's dedication to professional growth.

CMA Ajith Sivadas led the technical sessions, providing expert insights on recent changes and practical applications in Income Tax Law. Participants praised his clear, interactive, and relevant lectures. The workshop was considered a great success, effectively combining professional learning with networking and personal rejuvenation.

### **Professional Development Seminar**

The Chapter conducted a Professional Development Seminar on "*Startup Track and Innovation Corridor*" on 14th June 2025 at KPM Tripenta Hotel, Calicut. The event was inaugurated by CMA Syamly C M, Chapter Chairperson, marking a significant leadership transition. Mr. Rony K Roy, Senior Technology Fellow at Kerala Startup Mission, led an engaging session on startup trends and innovation strategies. The seminar concluded with the vote of thanks by CMA Askarali P C, Managing Committee Member.

## **VISAKHAPATNAM CHAPTER**

### **Professional Development Program on Income Tax Return Filing**

The Chapter organized a professional development program on "Income Tax Return Filing for AY 2025-26 - Recent Changes and Key Considerations" on July 26, 2025. The session was held at the chapter's premises and was led by speaker CA Chudamani K, Manager - Direct Tax and Tax Litigation at Manohar Chowdhry & Associates, Visakhapatnam. The event was attended by CMA members, including Chairman VCCA, CMA U Lakshmana Rao, and Secretary, CMA N Venkatesh.

## **TIRUCHIRAPALLI CHAPTER**

### **Professional Development Programme: Recent GST Amendments**

The Tiruchirappalli Chapter of the Institute

of Cost Accountants of India (ICMAI) held a Professional Development Programme on "Recent Amendments in GST – Updates till June 2025" on July 20, 2025.

The session was led by CMA Mohammad Rafi Syed, an expert in Indirect Taxation, who provided a comprehensive overview of the latest GST updates. He focused on practical guidance and the real-world implications of recent amendments. The program, organized by the Chapter's Management Committee, was a testament to ICMAI Tiruchirappalli's commitment to enhancing professional knowledge and excellence.

## BENGALURU CHAPTER

### Professional Forum (PF) Programme on "Social Stock Exchange & Emerging Professional Opportunities"

On July 5, 2025, the Bengaluru Chapter hosted a Professional Forum (PF) Programme focused on "Social Stock Exchange & Emerging Professional Opportunities."

The session was designed to provide insight into the evolving landscape of social finance and capital markets and the significant role of CMAs within it. The event featured CMA Vivek Mishra as a resource person.

Several key members were also in attendance, including CMA Raghavendra B K, Chairman of BCCA; CMA Poornima, Treasurer of BCCA; CMA G N Venkataraman, former President of ICMAI; and CMA Dr. Abhijeet S Jain, the immediate former Chairman of BCCA.

### Professional Development Programmes

The Bengaluru Chapter conducted two significant professional development programs in July 2025. On July 7, 2025, the chapter hosted a session on the "Role of CMAs in Quality and Administrative Audit for Higher Educational Institutions." The program, led by speaker CMA Rakesh Shankar Ravisankar, highlighted the critical contributions of CMAs to governance and quality control within educational institutions. The event was attended by notable members, including CMA Raghavendra B K, Chairman of BCCA, CMA Gunamala S R, Vice Chairperson of BCCA, and CMA Vishwanath Bhat,

Chairman of SIRC.

On July 19, 2025, the chapter held another program focusing on the "Impact of MCA V3 Transition on Accounts & Audit." The session, led by speaker CMA CS Chandra Sekhar K, provided a comprehensive overview of the practical implications and compliance changes brought about by the MCA V3 portal for the accounting and audit processes. CMA Raghavendra B K, Chairman of BCCA, and CMA Gunamala S R, Vice Chairperson of BCCA, were present for this program as well.

### Career Counselling Sessions

Two career counseling sessions were held to promote the CMA course. The first session took place on July 16, 2025, at MQI Degree College. The second session was conducted on July 22, 2025, at Bangalore City University, led by CMA Dr. Abhijeet S Jain, the Immediate Former Chairman.

### GST Day Convention – July 12, 2025

A joint GST Day Convention was organized by the SIRC of ICMAI and the Bengaluru Chapter of ICMAI at FKCCI, Bengaluru. The event was attended by numerous dignitaries and experts.

The Chief Guests were Dr. Kotraswamy M, IRS, Commissioner, CGST Bengaluru North Commissionerate, and Shri Padmakar Kulkarni, Member of the Karnataka Appellate Tribunal.

Key participants included CMA Vishwanath Bhat, Chairman of SIRC; CMA Girish Kambadaraya, PD Chairman of SIRC; CMA G.N. Venkataraman, Former President of ICMAI; CMA Dr. Abhijeet S Jain, Immediate former Chairman of BCCA; CMA Raghavendra B K, Chairman of BCCA; CMA Gunamala S R, Vice Chairperson of BCCA; CMA Santosh G Kulburgi, Secretary of BCCA; and CMA Poornima M, Treasurer of BCCA.

*The convention featured three technical sessions:*

1. "Navigating the New Income Tax Landscape (2025 Bill & AY 2025-26)" by CMA K Gururaj Acharya.
2. "Departmental Audit Proceedings 2025" by CMA K S Kamalakara & CMA A Jatin Christopher.
3. "Resolving GST Litigation: Strategies and

Best Practices" by Shri G Shivadas, Senior Advocate.

### **GST Certification Course Inauguration**

The GST Certification Course was officially inaugurated on July 18, 2025, at the Christ University (Bannerghatta Road Campus). The ceremony was attended by several senior dignitaries.

The course was inaugurated by CMA Vishwanath Bhat, SIRC Chairman, and CMA Raghavendra B K, Chairman of the Bengaluru Chapter.

## COCHIN CHAPTER

### **International Cooperatives Week Celebration**

The Cochin Chapter of the Institute of Cost Accountants of India celebrated International Cooperatives Week on July 6, 2025. The event was organized to raise awareness about the importance of cooperative values and their role in promoting inclusive and sustainable economic development.

The celebration was attended by Managing Committee members and Chapter staff. CMA Renjini R, the Chapter Chairperson, delivered a short talk on the 2025 theme. To further mark the occasion, a poster display and an awareness session were held on the Chapter premises.

### **Webinar Series: From Compliance to Competence**

On July 5, 2025, the Cochin Chapter of ICAI held the second session of its national webinar series, "From Compliance to Competence: Ind AS as a Strategic Enabler in Cost Auditing." The session was titled "Dual Lens of Valuation: Financial Accounting (Ind AS 2) vs. Cost Accounting (CAS 6)" and was attended by a diverse group of members, students, professionals, and faculty from all over India.

CMA Renjini R, the Chapter's Chairperson, opened the session, highlighting the growing importance of Indian Accounting Standards (Ind AS) and the series' goal of bridging the gap between compliance and strategic competence in cost auditing.

The main presentation was delivered by CMA

Ramsankar Mishra, Senior Manager (Finance) at MRPL. He provided an insightful look into the dual perspectives of inventory valuation under Ind AS 2 and CAS 6, emphasizing the strategic importance of aligning Indian standards with international frameworks.

The webinar concluded with a vote of thanks from CMA Meena George, Chairperson of the PD Committee, who expressed gratitude to the speaker and all participants. The session was highly valued by attendees, reinforcing the Chapter's commitment to professional development.

### **Pre-Placement Orientation Programme for CMA's**

The Cochin Chapter of ICAI, in collaboration with all Kerala Chapters, hosted a Pre-Placement Training Programme on July 17, 2025, for recently qualified CMA candidates. The program's goal was to equip candidates with the skills needed to succeed in professional interviews and the corporate world.

The training was led by two renowned corporate trainers: Shri Shalu Muhammed, an expert in communication and leadership, and Mr. Sudeep Sebastian, who specializes in corporate grooming and personality enhancement. Both trainers provided engaging, interactive, and practical sessions.

The program covered a range of key areas, including resume building, interview skills, corporate etiquette, and confidence-building. The sessions were well-received, and participants found the interactive format and real-life examples highly beneficial for preparing them to transition into their careers. The Cochin Chapter thanked the trainers, partner chapters, and all participants for contributing to the program's success.

### **Campus Placement Drive for CMAs**

On July 18, 2025, the Cochin Chapter of the Institute of Cost Accountants of India, in collaboration with all Kerala Chapters, hosted a Campus Placement Drive at CMA Bhavan, Vyttila. The event was designed to connect recently qualified CMA professionals with leading organizations.

The drive saw strong participation from the

corporate sector, with prominent national and international firms, including Grant Thornton, Deloitte India LLP, Muthoot Finance Ltd., and Saint Gobain, among others. Out of 98 candidates who attended, 56 were either selected or shortlisted, highlighting the program's success.

The event was attended by several dignitaries, including CMA Simarjeet Chadha, Director of Career Counselling & Placement at ICAI Headquarters, and CMA Praveen Kumar, Secretary of SIRC. CMA Renjini R, the Cochin Chapter Chairperson, led the coordination of the event and expressed gratitude to all the recruiters for providing valuable career opportunities. The chapter remains dedicated to improving career prospects for its members.

## GST Symposium 2025

The Cochin Chapter of ICAI hosted a one-day GST Symposium 2025 on July 25, 2025. The theme of the event was "GST @ 8: Strengthening Trust, Minimising Disputes, Maximising Compliance," bringing together experts and professionals to discuss the eight-year journey of the Goods and Services Tax.

CMA Renjini R, the Chapter Chairperson, gave the welcome address, and the event was formally inaugurated by Shri S. K. Rahman, IRS, Chief Commissioner of Customs, Central GST & Central Excise, Thiruvananthapuram Zone, with the traditional lighting of the lamp. Shri Rahman also delivered the inaugural speech, emphasizing the need for a more robust and transparent GST system. The inaugural session ended with a vote of thanks from CMA Arun Kumar S, the Chapter Secretary.

*The symposium featured four technical sessions led by experts:*

- "Reducing Tax Disputes through Effective Resolution Mechanisms" by Shri S. K. Rahman, IRS.
- "Input Tax Credit: Challenges to Avail" by CMA Anil Sharma.
- "Managing GST Litigation" by Adv. Shanmugham D Jayan.
- "GSTR-9 and 9C: Practical Insights for Annual GST Compliance" by CMA Anil

Sharma.

The symposium was well-received by all attendees, and the Cochin Chapter reaffirmed its commitment to providing such knowledge-sharing platforms for its members and the wider professional community.

## TRIVANDRUM CHAPTER

### GST Day Week Celebration

The ICAI - Trivandrum Chapter celebrated the 8th anniversary of the Goods and Services Tax (GST) in India on July 6, 2025. The celebration included several sessions as part of GST Day week.

The event was inaugurated by the Chief Guest, Sri. Kiranlal P S, Joint Commissioner (Intelligence), State GST Department, Kerala. Other dignitaries present were Sri. Suresh S, Superintendent of the Central GST Dept; CMA Pranav Jayan, Chairman; CMA Rejeesh V S, Vice Chairman; CMA Prasanth Kumar M S, Treasurer; CMA Sarat Nair U, Professional Development Committee Chairman; and CMA Hima R S Nair, Students Welfare Committee Chairperson.

*The following sessions were conducted:*

- A technical session on "Recent Developments in GST – Legal Perspective" was led by Adv. Manoj Pillai, a practicing advocate in the Supreme Court and various High Courts.
- An expert talk on "ARISE" was given by Sri. Suneel George, Senior Physiotherapist at Wohl Physio.
- A GST Quiz program for students was conducted by CMA S S Thanu, a faculty member of the Trivandrum Chapter.

## COIMBATORE CHAPTER

### Professional Development Programme: "Recent Trends in GST"

On July 3, 2025, a professional development programme on "Recent Trends in GST" was held at CMA Bhavan, Coimbatore. The session was led by Shri P. A. Parameswaran, IRS (Retd.), who provided a practical and insightful presentation on a range of topics.

The discussion covered key legislative amendments, procedural updates, and issues such as e-invoicing, e-way bills, and ITC challenges with GSTR-2B reconciliation. He also addressed common filing errors in GSTR-1, 3B, and 9, and the implications of AI-driven scrutiny and audits under Sections 65/66. The program also touched upon recent judicial rulings, GSTN portal enhancements, and the sectoral impact on real estate, exports, and MSMEs.

## Career Awareness Programmes

From July 3 to 9, 2025, a series of career orientation sessions were held to promote the CMA profession. These programs reached a large number of students at several colleges.

- Hindustan College: 700 students
- Government College of Arts and Science: 100 students
- PSG College: 200 students, with a second session on July 9 for another 700 students
- St. Joseph's College, Tirupur: 100 students

The sessions were led by CMA R. Maheswaran, CMA Subramaniam Kumar, and CMA R. Karthik.

## Residential Cost Convention

The Karl Kübel Institute in Anaikatti hosted a two-day residential cost convention on July 5 and 6, 2025. The event was a blend of technical sessions, wellness activities, and family engagement.

Day 1 began with an inauguration by CMA Dr. R. Maheswaran and a keynote address by CMA Praveen Kumar. The day's technical session was on "Valuation under the Income Tax Act," delivered by CMA (Dr.) Gopalakrishna Raju.

Day 2 started with yoga and wellness sessions, followed by two more technical sessions:

- "Cost Optimisation vs. Cost Reduction" by CMA Chandrashekar Pichandi.
- "Cost Accounting in the IT Industry" by CMA Vijayaraghavan Srinevasan.

In parallel, games were organized for family members. The convention concluded with a valedictory session, participant feedback, and certificate distribution. Attendees praised the event

for its successful combination of professional learning and personal relaxation.

## Professional Development and Student Sessions

On July 12, 2025, a Professional Development Programme (PDP) on "IFRS – A Global Perspective" was held. CMA Hariharasubramanian A led an in-depth session on IFRS adoption, its comparison with Ind AS, and its global impact, including its effects on financial metrics and future trends like ESG reporting. The event concluded with a dinner and networking.

The chapter also hosted two sessions on July 14, 2025, with CS S. N. Ananthasubramanian. First, he conducted a Motivational Session for Students, sharing insights on time management, ethics, and career planning. Later that evening, he led a PDP on "Compliances under Companies Act, 2013" for professionals, focusing on the roles of CMAs in corporate compliance, including statutory filings and board meeting documentation.

## Investor Awareness, Student Felicitation, and Cost Audit

On July 19, 2025, a session on "Introduction to Financial Planning" was led by Dr. S. Balusamy as part of an Investor Awareness Programme. He covered goal-based planning, asset classes, and protecting investments from fraud.

The chapter marked a significant milestone on July 21, 2025, with the inauguration of its 100th Intermediate Session. CMA Vijayaraghavan Srinevasan spoke on the importance of practical learning. On July 25, 2025, Chairman CMA R. Maheswaran felicitated 15 students who cleared the CMA Foundation at Sri Ramakrishna College for Women.

On July 26, 2025, CMA Uma Suresh led a detailed PDP on "Comprehensive Discussion on Cost Audit," covering practices, procedural compliance under CRA-4, and the evolving role of cost auditors. The same day, a Practitioners' Meet was held where practicing CMAs discussed legal amendments, audit standards, and shared professional experiences.

## Glimpses of Southern India Regional Council



*Southern India Regional Council*



*Southern India Regional Council*



*Southern India Regional Council*



*Southern India Regional Council*



*Southern India Regional Council*



*Southern India Regional Council*



*Kozhikode-Malappuram Chapter*



*Kozhikode-Malappuram Chapter*



*Visakhapatnam Chapter*



*Tiruchirapalli Chapter*



*Bengaluru Chapter*



*Bengaluru Chapter*



*Bengaluru Chapter*



*Bengaluru Chapter*



*Bengaluru Chapter*



*Cochin Chapter*



*Cochin Chapter*



*Trivandrum Chapter*



*Coimbatore Chapter*



*Coimbatore Chapter*

### WESTERN INDIA REGIONAL COUNCIL

#### PUNE CHAPTER

#### **CPE on 'From Idea to Impact: Leveraging MSME & Start-up India for Start-up Funding'**

The ICAI-Pune Chapter organized a Continuing Professional Education (CPE) program on June 28, 2025, at CMA Bhawan, as part of MSME Month. The program, titled "From Idea to Impact: Leveraging MSME & Start-up India for Start-up Funding," featured CS Sushant Kulkarni as the speaker. The session was welcomed by CMA Rahul Chincholkar, Vice Chairman, and the speaker was felicitated by CMA Shrikant Ippalpalli, Chairman. The lecture was well-attended, lucid, and informative.

#### **8<sup>th</sup> GST Day Celebration**

On July 4, 2025, the ICAI-Pune Chapter celebrated the 8th GST Day at CMA Bhawan. The event was attended by Chief Guest Mrs. Vaishali Patange, Additional Commissioner, CGST, and Guest of Honour Shri Prakash Pote,

Joint Commissioner, SGST.

Mr. Atul Deodikar, Head of Corporate, Logistics & GST, Endurance Technologies, and CMA Dr. Sanjay Bhargave, a Practicing Cost Accountant, were the speakers. The program began with a welcome by CMA Tanuja Mantrawadi, Treasurer, and the lighting of the lamp. CMA Shrikant Ippalpalli, Chairman, felicitated the chief guests, while CMA Chaitanya Mohrir, Treasurer, ICAI-WIRC, felicitated the speakers.

CMA Shrikant Ippalpalli emphasized the crucial role of CMAs in the GST era. CMA Chaitanya Mohrir discussed the role of AI in GST. CMA Dr. Sanjay Bhargave recalled the efforts behind GST's introduction and implementation, explaining how it has increased government revenue. Mr. Atul Deodikar shared his experience supporting MSMEs during GST implementation and addressed participant queries. The event concluded with a vote of thanks from CMA Rahul Chincholkar.

#### **Webinar: Critical Analysis of Income Tax**

The ICAI-Pune Chapter hosted a webinar on "Critical analysis of Income Tax computation

under old and new tax regime" on July 9, 2025. The speaker, CMA Bhushan Rane, provided a detailed and informative analysis. The session was welcomed by CMA Rahul Chincholkar, Vice Chairman, and a felicitation was made by CMA Shrikant Ippalpalli, Chairman. The webinar was well-attended by members.

## Two-Day Residential Program: GST, Cost, and Tax Audit

The Pune Chapter organized a two-day residential program at Aaryans River Wood Resort on the theme "Emerging Trends in Taxation: Audit & Litigation." The event featured a range of speakers, including CMA Dr. Sanjay Bhargave, CMA Amit Apte, and CMA Neeraj Joshi, as well as panelists CA Sarvesh Khandelwal and CA Divyesh Tripathi. The program covered several topics, including GST case laws, cost audit, tax audit, and the interplay of different audits. The event saw 57 professionals from various cities, who praised the blend of professional learning and leisure activities. CMA Himanshu Dave, Secretary, delivered the vote of thanks.

## Felicitations and Guidance Session for Foundation Students

A felicitation program and guidance session was held on July 19, 2025, for students who passed the CMA Foundation Examination. The event, aimed at boosting student confidence for the Intermediate exams, featured Chief Guest Dr. Vijay Gaikwad, Guest of Honor CMA Vikas Mudgil, and Special Invitee CMA Chaitanya Mohrir. The Chairman, CMA Shrikant Ippalpalli, discussed the chapter's support for students, and various speakers offered motivational and practical advice on preparing for exams and future career opportunities. The program concluded with a felicitation ceremony for successful students and a vote of thanks by CMA Himanshu Dave.

## Seminar on Co-operative Societies Acts & Audit Practices

The ICAI-Pune Chapter, in collaboration with the Sambhaji Nagar, Nashik, and Solapur Chapters, organized a three-day joint seminar on

"Co-operative Societies Acts & Audit Practices Process" from July 23 to July 25, 2025.

The first two days, July 23 and 24, were held online. The sessions covered the history of the cooperative movement, the Maharashtra Co-operative Societies Act, 1960, and the Multi-State Co-operative Societies Act, 2002. Speakers included Dr. Pallavi Ingale, CA Manisha Damle, CMA Rahul Chincholkar, and CA Hrushikesh Chincholkar, who also discussed GST and Income Tax applicability for co-operative societies.

The final day, July 25, was an offline session at which CMA Rahul K. Dawkhar, Mr. Tanhaji Kawade, and CMA Rahul Chincholkar spoke on topics such as the auditing and reporting process for cooperatives, auditor empanelment, and practical approaches for NPA, CRR, and other financial ratios. The speakers were felicitated by CMA Shrikant Ippalpalli, Chairman of the Pune Chapter, and CMA Salman Liyakatkha Pathan, Secretary of the Chatrapati Sambhajingar Chapter. The seminar was well-attended and provided valuable insights for members.

## Welcome of Vice President CMA Neeraj Joshi

On July 23, 2025, the ICAI-Pune Chapter extended a warm welcome to CMA Neeraj Joshi, who was elected as the Vice President of ICAI for the year 2025-2026. He was elected alongside CMA TCA Srinivasa Prasad, who became the President on July 22, 2025. The welcome ceremony was attended by several chapter members and dignitaries, including CMA Dr. Sanjay Bhargave, CMA Chaitanya Mohrir, and CMA Shrikant Ippalpalli. The chapter congratulated him on his new role and wished him a successful tenure.

## Career Counselling Programs

Throughout July 2025, the ICAI-Pune Chapter conducted several career counselling programs at various colleges to promote the CMA course. Sessions were held at:

- Bal Shikshan Mandir Auditorium (for Garware College students)
- St. Meeras College
- Modern College Warje
- Abeda Inamdar College

- Garware College (for 12th Commerce students)
- Modern College BBA Campus
- Mamasahab Mohol College
- Kaveri College
- SNDDT Arts and Commerce College for women

The sessions were led by a team of chapter members, including CMA Chaitanya Mohrir, CMA Nilesh Kekani, CMA Shrikant Ippalpal, and CMA Amey Tikale, who explained the importance of the CMA course for a professional career.

### NASHIK CHAPTER

#### **Seminar on GST Impact on Real Estate Transactions**

The Nashik Chapter of Cost Accountants hosted a seminar on "GST Impact on Real Estate Transactions" on June 6, 2025, at the CMA Hall, Prasanna Arcade, Nashik. The session was conducted by CMA Chetan Bumb, an expert in indirect taxation, who provided an in-depth analysis of GST provisions related to construction services, joint development agreements, input tax credits, and other transitional issues within the real estate sector.

CMA Dhananjay Jadhav, Chairman of the Nashik Chapter, welcomed the speaker and all participants and also delivered the vote of thanks. The seminar was well-attended by CMA members, practitioners, and students.

#### **Webinar: "CMA: Passport to Diverse Professional Frontiers"**

The Nashik Chapter of Cost Accountants hosted a webinar on June 14, 2025, titled "CMA: Passport to Diverse Professional Frontiers." The event featured CMA Manisha Agrawal, who shared her expert insights on the expanding career opportunities available to CMAs.

The session was inaugurated by CMA Dhananjay Jadhav, Chairman of the Nashik Chapter, who underscored the value of such platforms for inspiring members and students. CMA Agrawal highlighted the dynamic roles CMAs can take on in various fields, including finance, consulting, data analytics, and sustainability reporting. She

encouraged attendees to embrace continuous learning to stay relevant in a rapidly changing professional landscape.

The webinar concluded with a vote of thanks from CMA Arifkhan Mansuri, who expressed gratitude to all participants and the organizing team. The event successfully showcased the Nashik Chapter's dedication to professional growth and knowledge enrichment for its members.

#### **Seminar: "Transforming the CMA Journey with AI Innovations"**

The Nashik Chapter of Cost Accountants successfully hosted a seminar titled "Transforming the CMA Journey with AI Innovations" on June 21, 2025. The event, held at the CMA Hall in Nashik, featured CMA Harshad Deshpande as the distinguished speaker.

CMA Deshpande, an expert on the intersection of finance and technology, provided valuable insights into how AI is reshaping the field of cost and management accounting. He discussed the impact of AI tools on cost accounting, compliance, strategic planning, and decision-making.

CMA Navnath Gangurde welcomed the speaker on behalf of the chapter. The session was well-received by both members and students, leading to engaging discussions on how CMAs can adapt to and leverage these technological changes. The event concluded with an interactive Q&A session and a vote of thanks delivered by CMA Arifkhan Mansuri.

#### **International Yoga Day Celebration**

The Nashik Chapter of Cost Accountants celebrated International Yoga Day with an event at the CMA Hall on June 21, 2025. The celebration was led by renowned yoga instructor Ms. Shweta Brahmanekar.

The event was also attended by CMA Harshad Deshpande, Central Council Member (CCM), who honored Ms. Brahmanekar for her valuable contribution to promoting health and well-being.

#### **Tree Plantation Drive for World Environment Day**

The Nashik Chapter of the Institute of Cost Accountants of India (ICMAI) organized a Tree

Plantation Drive on World Environment Day, Saturday, June 7, 2025. The event took place at Pandavleni, Pathardi Phata, Nashik.

Led by Chapter Chairman CMA Dhananjay Jadhav, the drive saw enthusiastic participation from members and their families. Participants planted saplings and pledged to support a greener future. The ICMAI Nashik Chapter thanked everyone for their involvement and encouraged the community to join in making the planet cleaner and greener.

### **Seminar on Advanced Excel**

The Nashik Chapter of Cost Accountants organized a seminar on "Advanced Excel" on June 28, 2025. Held at the CMA Hall, the session was led by CMA Namita Nitin Kulkarni, a Manager at KSB Limited.

CMA Kulkarni guided participants through advanced Excel tools and functions, providing practical insights and techniques to enhance data analysis and handling efficiency. The seminar saw enthusiastic participation from CMA members, and the chapter expressed its commitment to offering continuous professional development opportunities.

### **Participation at Lokmat Career Education Fair**

The Nashik Chapter of Cost Accountants took part in the Lokmat Career Education Fair held from June 13th to 15th, 2025, at Gurudakshina Hall in Nashik.

The chapter set up a stall to provide information about the Cost and Management Accountancy (CMA) course to students, parents, and career aspirants. Committee members and staff engaged with visitors, answered questions, and distributed brochures to highlight the curriculum, career opportunities, and the important role CMAs play in the financial sector. The initiative was part of an effort to guide students toward a rewarding professional career and help develop a skilled financial workforce.

### **Webinars**

The Nashik Chapter hosted two webinars in July. On July 5, 2025, CMA Hrushikesh Shrotriya led a session on "Information of CMA AI Pravesch," providing insights into the platform's features and

benefits to over 60 members and students. The program was chaired by CMA Dhananjay Jadhav and concluded with a vote of thanks by CMA Dipak Joshi. On July 12, 2025, CMA Swapnil Kharade conducted a webinar on "Investment Awareness," offering valuable insights on financial planning and wealth creation. The session was well-attended by CMA members and students.

### **Seminar on Decoding the Latest Ind AS Amendments**

A seminar titled "Decoding the Latest Ind AS Amendments" was conducted on July 19, 2025, by CMA Harshada Prabhune. She provided a comprehensive overview of recent amendments to Indian Accounting Standards, emphasizing their role in improving financial transparency. The seminar began with a welcome address from CMA Amit Jadhav, Chairman-PD Committee, and concluded with a vote of thanks by CMA Suraj Lahoti, Ex-chairman.

### **Career Awareness Programs**

The chapter conducted several career awareness programs in July to promote the CMA course.

- July 16, 2025: At K.K. Wagh Arts Science and Commerce College, CMA Amit Jadhav introduced the CMA course, and CMA Prakash Nath Mishra discussed the profession's scope and opportunities.
- July 22, 2025: At MVP's Arts and Commerce College, Satpur, CMA Sunetra Ganesan delivered an engaging presentation to approximately 60-70 B.Com students.
- July 30, 2025: At SVKT College, Deolali, CMA Arifkhan Mansuri provided guidance on the CMA course to over 80 students.

### **Felicitation Program**

On July 26, 2025, the Nashik Chapter held a felicitation program for students who passed the CMA Foundation Examination - June 2025. Chairman CMA Dhananjay Jadhav welcomed the students and parents. The Chief Guest, CMA Rajendra Shirsat, delivered a motivational speech, explaining the career opportunities offered by the CMA course.

### **CPE Programme on MSME Insights and Gujarat Government Schemes**

The Baroda Chapter of the Institute of Cost Accountants of India successfully hosted an online Continuing Professional Education (CPE) program on "MSME Insights and Gujarat Government Promotional Schemes" on Friday, June 27, 2025.

The session featured Shri Kishor Mori, Joint Commissioner – DIC, Vadodara, and CMA Paresh Thakkar. They provided valuable insights into the MSME sector and detailed various promotional schemes from the Gujarat Government.

CMA Priyank Vyas delivered the welcome address, and the program concluded with a vote of thanks from CMA Hirav Shah. The event saw active participation from 47 professionals, who benefited from the knowledge-sharing session.

### **Live Screening of "Mann Ki Baat"**

The Baroda Chapter of the Institute of Cost Accountants of India, along with the Vadodara Chapters of WIRC of ICSI and ICAI, hosted a professional meet for the live screening of the "Mann Ki Baat" program on Sunday, June 29, 2025. The event was held at the Phoenix Complex in Vadodara.

Shri Dr. Jayprakash Soni, President, BJP Vadodara, was the Chief Guest. CMA Amruta Vyas, Chairperson of the Baroda Chapter, welcomed the guests and highlighted the program's inspirational value for professionals and citizens.

Over 125 professionals attended the live broadcast of the Prime Minister's address. The event concluded with a vote of thanks from CMA Mohit Nagdev, who expressed gratitude to all who made the event a success.

### **CPE Programme on "Code of Ethics"**

The Baroda Chapter of the Institute of Cost Accountants of India hosted an online CPE seminar on "Code of Ethics" on Saturday, July 5, 2025. The session was led by the distinguished speaker CMA IP (Dr.) Ashish Thatte, CCM – ICAI.

The seminar focused on reinforcing the core principles of integrity, transparency, and professional conduct. Dr. Thatte shared valuable insights on how ethical practices build trust and

ensure accountability in the business world.

CMA Amruta Vyas delivered the welcome address, and CMA Mohit Nagdev gave the vote of thanks. The seminar saw a total of 76 members in attendance.

### **Foundation Exam Results - June 2025**

The Institute of Cost Accountants of India announced the results for the June 2025 Foundation Examination on July 8, 2025. The Baroda Chapter proudly highlighted the exceptional performance of its students.

*Top Performers from the Baroda Chapter:*

- Rank 1: VADHER RAJ BHIMABHAI (326/400)
- Rank 2: ARYAN RAJESHBHAI PANCHAL (314/400)
- Rank 3 (tie): ASMA VALIKARIMWALA, JASANI HARSH MAHESHBHAI, VADHER DIPKUMAR KANTILAL (296/400)

The chapter also gave special recognition to Barot Neel Chintankumar, a student with a vision disability, who successfully passed the exam. His achievement serves as a powerful testament to his perseverance and the inclusive spirit of the CMA community.

The Baroda Chapter congratulated all the successful candidates and wished them a prosperous future.

### **Meeting with District Education Officer**

The Baroda Chapter of the Institute of Cost Accountants of India recently met with District Education Officer (DEO) Shri Mahesh Pandey in Vadodara. The meeting was held to get permission for organizing Career Awareness Programs in schools throughout the 2025-26 academic year.

During the discussion, the chapter also proposed a Principals & Teachers Conclave to raise awareness about the CMA (Cost and Management Accountancy) course. Shri Mahesh Pandey appreciated the initiative and assured the chapter of his full support in facilitating these programs and the conclave. The Baroda Chapter expressed its gratitude for his encouragement and support.

### **Career Awareness Programs**

The Baroda Chapter of the Institute of Cost Accountants of India successfully conducted a

series of Career Awareness Programs at several schools in Vadodara. The sessions were designed to introduce students to the CMA (Cost and Management Accountancy) course and the career opportunities available in finance and management.

*The programs took place at:*

- Ideal School
- Little Flower School (Haridham)
- Baroda High School (Daneshwar)
- H S Patel School

CMA Dhaval Shah represented the Baroda Chapter and led the sessions, providing students with valuable information on the course structure, career scope, and admission process. The chapter extended its thanks to the schools for their support in making the initiative a success.

### Placement and Training Activities

The Baroda Chapter of the Institute of Cost Accountants of India organized various placement and training activities for its students and members. A large number of participants benefited from these initiatives.

## AHMEDABAD CHAPTER

### CEP: Celebrating GST Day

The ICAI Ahmedabad Chapter celebrated GST Day with a Continuing Education Program (CEP) on July 1, 2025, at the chapter premises. Chapter Chairman CMA Mitesh Prajapati welcomed attendees and introduced the speakers.

The speakers included CMA Rajnish Tarpara and Adv. Samir Sidhhapuria from the industry and practicing professions, as well as CMA Hiren Limbachiya and CMA Archit Thakkar from the GST Department. All speakers gave detailed presentations on the subject, which was followed by an interactive session with the large number of participants.

The speakers were each felicitated with a memento:

- CMA Mitesh Prajapati presented a memento to CMA Rajnish Tarpara.
- CMA Ashish Bhavsar presented a memento to Adv. Samir Sidhhapuria.
- CMA Manish Analkat presented a memento to CMA Hiren Limbachiya.
- CMA Vinod Savalia presented a memento to

CMA Archit Thakkar.

### CEP - SAP FICO Batch

The ICAI Ahmedabad Chapter organized a specialized SAP FICO batch for its members to help them upskill in a highly sought-after financial software solution. The program ran from July 7 to July 21, 2025, at the chapter's premises.

The inauguration took place on July 7, with CMA H C Shah as the Chief Guest. Chapter Chairman CMA Mitesh Prajapati delivered the inaugural speech and felicitated the Chief Guest with a memento.

The sessions were led by faculty members CMA Reena Patadiya and Mr. Kuldeep Sisodiya, whose clear and engaging teaching style was highly praised by all participants.

### Certificate in Accounting Technicians (CAT) Course

The Ahmedabad Chapter of ICAI launched a new Certificate in Accounting Technicians (CAT) Course for retiring and retired defense personnel. The program, which runs from July 21 to November 7, 2025, had its inaugural session on July 24, 2025.

The inauguration was attended by notable guests, including Chief Guest CDR Rahil Rai, who was felicitated with a memento by Mr. Varun Joshi, Assistant Director of CAT. Mr. Joshi was also felicitated by CMA Sunil Tejawani, Secretary of the Ahmedabad Chapter.

Mr. Joshi gave a detailed presentation on the CAT course, while Chapter Chairman CMA Mitesh Prajapati and other dignitaries also addressed the participants. CMA Sunil Tejawani concluded the event with a vote of thanks.

### Career Awareness Campaign

The Ahmedabad Chapter held a series of career awareness events throughout July 2025 to promote the CMA course.

- July 10: Visited Gujarat University to brief Deputy Registrar Dr. Paresh Prajapati. Also met with Dr. B.S. Agarwal, the principal of Rollwala Computer Center.
- July 19: Gave a lecture on the CMA course to students at H.K. BBA College, and briefed

Principal Mr. Nirav Shah.

- July 24: Briefed the principals of C.C. Sheth College of Commerce and Navgujarat Arts & Commerce College on the CMA course.

### Oral Coaching Classes

Oral coaching batches for the Foundation and Intermediate courses for the December 2025 exams commenced on July 10, 2025.

### Interactive Session on the CMA Course

On July 18, 2025, the Ahmedabad Chapter hosted an interactive session for students on the CMA course. The event featured CCM CMA Vinay Ranjan and was attended by Past President CMA Ashwin G. Dalwadi and Chapter Chairman CMA Mitesh Prajapati. Students had the opportunity to ask questions about the course, which were answered by CMA Vinay Ranjan and CMA Ashwin G. Dalwadi.

### Press Meet on Foundation Exam Results

On July 8, 2025, a press meet was held at the Chapter premises to announce the results of the Foundation June 2025 Exam. Reporters from both electronic and print media attended to cover the results for publication in TV news and newspapers.

## SURAT-SOUTH GUJARAT CHAPTER

### Yoga Day Celebration

The Surat South Gujarat Chapter celebrated International Yoga Day on June 21, 2025, at the Chapter premises. The event, attended by Chairman CMA Kishor Vaghela, saw around 15 participants, including chapter staff, benefiting from the yoga session.

### CPE & Workshop: "Scale Up Practice with AI Tools"

On June 22, 2025, the Surat South Gujarat Chapter hosted a CPE & Workshop on the theme "Scale Up Practice with AI tools." The event featured CA Joni Jain as the keynote speaker. Chapter Chairman CMA Kishor Vaghela and Hon. Secretary CMA Vipinkumar Patel felicitated the speaker. Approximately 20 participants attended the insightful session.

### CPE & Workshop: "Unlocking Financial Wisdom"

On June 28, 2025, the Surat South Gujarat Chapter held a CPE and Workshop on "Unlocking Financial Wisdom." CMA Jaimin Sheth was the keynote speaker, delivering an insightful presentation to approximately 60 attendees, including professionals and students.

The event was attended by Chairman CMA Kishor Vaghela, Managing Committee Member CMA Mahesh Bhalala, and Member CMA Jitendra T. Parmar, who felicitated CMA Jaimin Sheth for his contribution.

### GST Day: CPE & Workshop on Recent GST Changes

On July 1, 2025, the Surat South Gujarat Chapter celebrated GST Day by organizing a CPE & Workshop on "Recent changes and amendments under GST."

The keynote speaker was CMA Dr. Shailendra Saxena, Past Chairman of the Surat Chapter, who provided valuable insights and updates. The event was well-attended by around 80 participants, including CMA Nanty Shah (RCM-Hon. Secretary), CMA Kishor Vaghela (Chairman), CMA Vipinkumar Patel (Secretary), and CMA Deepali Lakdawala (Managing Committee Member).

The dignitaries felicitated CMA Dr. Saxena for his contribution. The workshop concluded with an interactive Q&A session.

### Press Conference: Foundation June 2025 Term Results

On July 8, 2025, the Surat South Gujarat Chapter hosted a press conference at their campus to announce the results for the Foundation June 2025 term. The chapter reported a strong 78% result rate.

The press meet was attended by CMA Kishor Vaghela (Chairman), CMA Vipinkumar Patel (Secretary), and Managing Committee Members CMA Deepali Lakdawala and CMA Mahesh Bhalala. They congratulated all the students who passed and offered guidance for their future endeavors.

### **Workshop: "Data Analysis and Data Visualization using Microsoft Excel"**

The Surat South Gujarat Chapter hosted a workshop on "Data Analysis and Data Visualization using Microsoft Excel" on July 16, 2025. Ms. Dhvanika Shah was the keynote speaker, providing attendees with practical, hands-on techniques. Chapter Chairman CMA Kishor Vaghela felicitated Ms. Shah. The session was attended by approximately 90 participants.

### **Workshop: "Zero to Hero Power BI Dashboards in a Day"**

On July 19, 2025, the Surat South Gujarat Chapter hosted a workshop titled "Zero to Hero Power BI Dashboards In a Day." The session, led by keynote speaker CMA Keyur Doshi, focused on using Power BI tools and Microsoft Excel for data analysis and visualization.

Hon. Secretary CMA Vipinkumar Patel felicitated CMA Keyur Doshi. The workshop saw an enthusiastic response, with about 100 participants gaining practical skills from the interactive session.

## NAVI MUMBAI CHAPTER

### **CPE Report: Navi Mumbai Full-Day Seminar**

On June 29, 2025, the Institute of Cost Accountants of India Navi Mumbai Chapter hosted a full-day seminar at the Konkan Railway Executive Club in Navi Mumbai.

The event was inaugurated by Chief Guest CMA Rajesh Bhadang, Director Finance, and Shri Sunil Gupta, IRTS, Director Operation of Konkan Railway Corporation Ltd. Also present were CMA Vivek Bhalerao (RCM), Mr. Mathew Philip (Executive Director, Konkan Railway), and CMA Debasish Mitra (Ex-CCM), along with members of the Navi Mumbai chapter's managing committee.

CMA Arup Bagui, Secretary and PD Committee Chairman of the Navi Mumbai Chapter, delivered the welcome address. CMA Rajesh Bhadang emphasized the importance of CMAs in the industry, while Shri Sunil Gupta highlighted the role of Cost Accountants in operational decision-making through data analytics.

The first session, "Significance of Soft Skills

in Internal Audit," was led by CMA Prabhakar Mukhopadhyay and CA Mani Madhukar, who discussed the importance of trust, communication, and integrity for auditors. The second session, "Contract Risk Management for Cost and Compliance Professional," was presented by Sr. Advocate Atul Khadse, focusing on risk identification and management tools. Both sessions were concluded by CMA Nilmoni Bhakta (Chairman) and CMA Vaidyanatha (Ex-Chairman) of the Chapter.

The seminar was highly praised by all dignitaries. Over 65 members and 20 students attended, making it a significant event. CMA Manoj Panda delivered the vote of thanks, concluding the seminar.

### **CPE Report: "Financial Controlling under Uncertainties" Webinar**

On Sunday, May 4, 2025, the Institute of Cost Accountants of India Navi Mumbai Chapter hosted an online webinar titled "Financial Controlling under Uncertainties (Risk Identification & Mitigation)."

CMA Arup Bagui, Chairman of the PD Committee, welcomed the speaker, CMA Sumeet Dinesh Madwaikar, Head of Commercial Operation at Galaxy Group. CAM Sushant Ghadge introduced the speaker, who discussed the importance of value analysis, value addition, and 3D navigation.

The webinar was attended by over 40 members and 10 students. CMA Nilmoni Bhakta concluded the event with a vote of thanks.

## PIMPRI CHINCHWAD CHAPTER

### **Lighting the Path Ahead: Career Counseling Session**

On June 1, 2025, the ICAI – Pimpri Chinchwad Chapter hosted a career counseling program at Yamuna Nagar, Nigdi. The session was designed to help 10th and 12th-grade students explore various professional paths, including the CMA course.

The event was organized under the leadership of Sau. Sulabha Ubale and Shri. Ajinkya Ubale. CMA Ajit Shinde, Chairman of the Pimpri-Chinchwad Chapter, and CMA Sagar Malpure, Chairman of the Professional Development Committee, were also in attendance. They delivered motivational talks

on career planning and the benefits of a career in Cost and Management Accountancy.

Students actively participated, asking questions and clarifying their doubts. The Pimpri Chinchwad Chapter remains committed to empowering students with the knowledge and direction needed for a successful career.

## **CPE Seminar: "Visualize to Realize: Tableau for Smart Decision-Making"**

On Sunday, June 8, 2025, the ICMAI – Pimpri Chinchwad Chapter hosted a CPE seminar on "Visualize to Realize: Tableau for Smart Decision-Making" at CMA Bhawan.

CMA Sagar Prakash Malpure, Chairman of the Professional Development Committee, welcomed the attendees and introduced the speaker, CMA Pooja Auti, a practicing Cost Accountant and data analytics expert.

CMA Auti's presentation focused on the growing importance of data visualization for strategic decision-making. She demonstrated how Tableau can be used to create interactive dashboards, helping professionals make data-driven decisions. The session included live demonstrations, discussions on integrating Tableau into cost accounting, and insights on using visual storytelling for communication.

The event saw active participation from members, professionals, and students. CMA Ajit Shinde, Chairman of the Pimpri-Chinchwad Chapter, concluded the program with a vote of thanks.

## **CPE Seminar: "Beyond Numbers: CMA's Role in Driving Performance Excellence"**

On June 14, 2025, the Pimpri Chinchwad Chapter of ICMAI hosted a CPE seminar titled "Beyond Numbers: CMA's Role in Driving Performance Excellence" at CMA Bhawan.

CMA Sagar Malpure, Chairman of the Professional Development Committee, opened the session by introducing the speaker, CMA Ajay G. Paralikar, a Practicing Cost Accountant. CMA Malpure highlighted the expanding role of CMAs in organizational growth and performance.

CMA Paralikar's presentation focused on a holistic approach to performance management.

He explained how a well-structured system can help organizations plan, monitor, and evaluate performance to achieve better synchronization and resource utilization. He also discussed how these systems benefit both management and employees by promoting transparency and setting clear targets.

Furthermore, CMA Paralikar covered implementation methods, variable pay calculations, and the importance of integrating qualitative factors like morale and teamwork. He emphasized the crucial role CMAs play in supporting management through cost-benefit evaluations and monitoring performance.

The session was highly interactive, with active participation from members, professionals, and students. The program concluded with a vote of thanks from CMA Balkrishna Hajare, Vice Chairman of the Pimpri Chinchwad Chapter.

## **CPE Seminar: "Decoding Brand Value: Measuring Intangibles in an Unpredictable World"**

On June 21, 2025, the Pimpri Chinchwad Chapter of ICMAI hosted a CPE seminar titled "Decoding Brand Value: Measuring Intangibles in an Unpredictable World" at CMA Bhawan.

CMA Sagar Malpure, Chairman of the Professional Development Committee, opened the session by introducing the speaker, CMA Ashish Deshmukh, a Practicing Cost Accountant. He emphasized the growing importance of intangible assets and the role of CMAs in their valuation.

CMA Ashish Deshmukh delivered an informative presentation on brand valuation, covering foundational concepts such as brand equity and identity. He discussed the rationale for brand valuation in various scenarios, including financial reporting, mergers and acquisitions, and tax planning. He detailed the three primary valuation approaches:

- **Market Approach:** Using comparable market transactions.
- **Income Approach:** Including methods like Relief from Royalty and Multi-Period Excess Earnings.
- **Cost Approach:** Covering both Reproduction and Replacement Cost Methods.

The speaker also provided practical insights on valuation steps, such as determining royalty rates and estimating future income. The session was highly interactive, with participants actively engaging in discussions.

CMA Dhananjay Kumar Vatsyayan, Purchase Committee Chairman of the Pimpri Chinchwad Chapter, concluded the program with a vote of thanks, appreciating CMA Ashish Deshmukh and all attendees for their participation.

### **CPE Webinar: "SME Listing – Emerging Opportunity for CMAs"**

On June 27, 2025, the ICAI Pimpri Chinchwad and Nashik Chapters jointly hosted an online webinar on "SME Listing – Emerging Opportunity for CMAs."

CMA Jayant Hampiholi, Past Chairman of the Pimpri Chinchwad Chapter, opened the session, emphasizing the growing relevance of capital markets for SMEs. CMA Amit Jadhav, Chairman of the Nashik Chapter's Professional Development Committee, introduced the keynote speaker, CMA Amar Kakaria, Director at Navigant Corporate Advisors Ltd.

CMA Kakaria provided a comprehensive overview of SME listing, highlighting the surge in SME IPOs and the opportunities for CMAs in this space. He covered key topics, including:

- The benefits of listing for SMEs, such as improved brand equity and access to capital.
- A detailed walkthrough of the listing process, including eligibility criteria and SEBI regulations.
- Insights into recent changes in listing norms, such as stricter profitability benchmarks and enhanced disclosure requirements.
- The potential for CMAs in regulatory compliance, valuation, and strategic advisory for SMEs.

Following the presentation, a panel discussion titled "Strengthening Entrepreneurial Ecosystems through CMA Insight" was held with CMA Milind Kasodekar, CMA Unmesh Narvekar, and CMA Amar Kakaria. They discussed regulatory compliance, funding strategies, and the role of CMAs in supporting the MSME sector.

The webinar concluded with a vote of thanks from CMA Sagar Malpure, Chairman of the Professional Development Committee, Pimpri Chinchwad Chapter. The event saw enthusiastic participation from members and students from both chapters.

### **CPE Webinar: "From Survival to Scale: Can MSMEs Become the Next Unicorns?"**

On June 28, 2025, the ICAI Pimpri Chinchwad Chapter, in association with the MSME and Start-up Promotion Board of ICAI, hosted a CPE program at CMA Bhawan. The event focused on the theme "From Survival to Scale: Can MSMEs Become the Next Unicorns?"

CMA Ajit Shinde, Chairman of the Pimpri Chinchwad Chapter, opened the session, welcoming attendees and highlighting the relevance of the topic to India's entrepreneurial ecosystem.

The event featured two insightful addresses:

- Mr. Vijay Dhage, Founder and Managing Director of WinExt Polytech Pvt. Ltd., shared his company's journey from a startup to a leading industry player, crediting the support of cost and management professionals in their financial planning.
- CMA Sanjay Jakhotiya, Founder and Owner of Hometech Kitchen Appliances, provided a technical perspective on the financial challenges faced by MSMEs and explained how CMAs can help by providing structured financial planning, MIS systems, and cost controls.

The session was well-received by members, entrepreneurs, and students, who appreciated the blend of practical business insights and professional financial strategies. CMA Sagar Malpure, Chairman of the Professional Development Committee, delivered the vote of thanks. The program concluded with a networking dinner.

### **CPE Webinar: "GST Tribunal: Empowering Appeals, Enabling Resolution"**

On June 30, 2025, the ICAI Pimpri Chinchwad Chapter, in collaboration with the Maharashtra Tax Practitioners' Association (MTPA), launched the "GST Gyan Yatra: A 7-Day Strategic Immersion" series with a webinar on "GST Tribunal:

Empowering Appeals, Enabling Resolution."

CMA Ajit Shinde, Chairman of the Pimpri Chinchwad Chapter, introduced the series and the speaker, CMA Prakash Rijhwani, a Cost Accountant and Editor of Klickon GST World.

CMA Rijhwani's presentation provided a detailed overview of the GST appellate structure, including:

- Legal provisions for filing appeals under Sections 107 and 112 of the CGST Act.
- The composition and powers of the GST

Appellate Tribunal (GSTAT).

- Appeal procedures, pre-deposit requirements, and key updates from the GST Appellate Tribunal (Procedure) Rules, 2025.

The session, which included an interactive Q&A, received an overwhelming response from professionals, tax practitioners, and students. CMA Sagar Malpure, Chairman of the Professional Development Committee, concluded the event with a vote of thanks.

## Glimpses of Western India Regional Council



*Pune Chapter*



*Pune Chapter*



*Pune Chapter*



*Pune Chapter*



*Nashik Chapter*



*Nashik Chapter*



*Nashik Chapter*



*Nashik Chapter*



*Baroda Chapter*



*Baroda Chapter*



*Ahmedabad Chapter*



*Ahmedabad Chapter*



*Surat-South Gujarat Chapter*



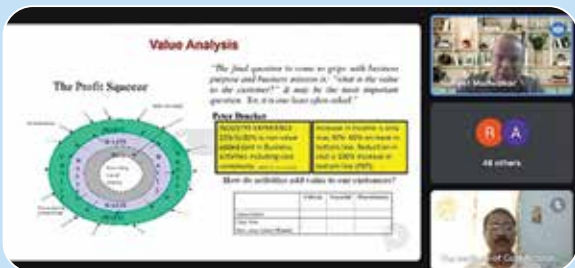
*Surat-South Gujarat Chapter*



*Surat-South Gujarat Chapter*



*Navi Mumbai Chapter*



*Navi Mumbai Chapter*



*Pimpri Chinchwad Chapter*



*Pimpri Chinchwad Chapter*



*Pimpri Chinchwad Chapter*



*Pimpri Chinchwad Chapter*



*Pimpri Chinchwad Chapter*

## **“MSMEs: INDIA'S SILENT POWERHOUSE P POWERHOUSE - LOCAL ROOTS, GLOBAL REACH”, JULY 04, 2025**

The Journal & Publications Committee & MSME and Start up Promotion Board, ICAI organized a webinar on **“MSMEs: INDIA'S SILENT POWERHOUSE - LOCAL ROOTS, GLOBAL REACH”** on **July 4, 2025** and CMA Arghya Banerjee, Senior General Manager, Petrochemical Division Reliance Industries Ltd., Navi Mumbai was the Resource Person of the event. CMA Harshad Shamkant Deshpande, Chairman, Journal & Publications Committee and CMA Suresh R. Gunjalli, Chairman, MSME and Start up Promotion Board, ICAI, elucidated that MSME is the major source of employment in India which provides 40% of exports but also having some constraints viz the compliance burden, delayed payments, and asserted that the eminent speaker would provide valuable insights on this topic to achieve global reach. CMA (Dr.) Sumita Chakraborty, Secretary, MSME and Start up Promotion Board, ICAI also briefed about the theme and highlighted the activities undertaken by the MSME and Start up Promotion Board, ICAI with regard to the MSME month celebrated in the month of June. The Resource Person detailed that over 63 million MSMEs, a dynamic and diverse sector, contribute 30% to India's GDP and 49% to exports and employ over 110 million people. He described MSMEs, the types of MSMEs and its Pan-India Presence. This is the second largest employer contributing 110+ million jobs. He also briefed the key challenges faced by it like Access to Credit, Delayed Payments, Compliance & Red Tape, Skill & Tech Gap etc. and also the Government initiatives to overcome the challenges like Udyam Registration, ECLGS, Skill India & Digital MSME, PMEGP and Mudra and so on. He also shared some inspiring MSME success stories viz Meesho, Khadi Revival, Udupi Cluster that made the session much more interactive. There was a brief question and answer session and ended with the vote of thanks by CMA Sucharita Chakraborty, Additional Director and HoD, Journal & Publications. The webinar was moderated by Ms Indrakshi Bhattacharya, Journal and Publications Department, ICAI.



## **“COOPERATIVES: DRIVING FORCE OF INDIAN ECONOMY”, JULY 18, 2025**

The Journal & Publications Committee, ICAI organized a webinar on **“Cooperatives, Driving Force of Indian Economy”** on **July 18, 2025**. Dr. S. Dharmaraj, Assistant Professor, Vaikunth Mehta National Institute of Cooperative Management, Pune was the Resource Person of the programme. CMA Harshad S Deshpande, Chairman, Journal & Publications Committee asserted that this year has been marked as the International Year of Cooperatives and Government has taken various initiatives like “Sahakar Se Samriddhi” scheme to promote ‘Cooperation among Cooperatives’. Dr. S. Dharmaraj, the Resource Person detailed on Functional Cooperatives which is almost 6.51 lakhs, 29 crore membership (approx.), 1 crore BODs, 70 lakhs Employees, Credit and Non Credit Cooperatives etc. He discussed Cooperative Rural Credit, other credit cooperatives and also cooperatives in non-credit sector. He briefed the issues and challenges viz. the challenges in aligning with the spirit of a people's movement, lack of active member participation and involvement, Governance and Accountability issues, overdependence on Government Funding and Support etc. The Best Performers he mentioned are ULCCS, EAPCMS, Banas Diary, Lijjat Papad etc by which the cooperatives are still sustaining and surviving. He also discussed the MOC initiatives and other policies and also CMAs have a huge role to play in this aspect. The webinar concluded with a brief question and answer session and the vote of thanks was given by CMA Sucharita Chakraborty, Additional Director and HoD, Journal & Publications. The webinar was moderated by Ms Indrakshi Bhattacharya, Journal and Publications Department, ICAI.



**Direct & Indirect Tax Updates - July 2025****DIRECT TAXES****Circular No. 8/2025 dated 01-07-2025**

The circular clarifies the applicability of Circular No. 5/2025 dated 28.03.2025 regarding the waiver of interest levied under sections 201(1A)(ii) and 206C(7) of the Income-tax Act, 1961. Such circular states that the prescribed authorities (CCIT/DGIT/Pr. CCIT) are empowered to pass waiver orders for interest charged both before and after 28.03.2025. Waiver applications must be filed within one year from the end of the financial year in which the interest is charged. For example, for interest relating to FY 2023-24, applications can be made up to 31.03.2025. The circular also confirms that interest levied prior to 28.03.2025 can also be considered for waiver, subject to the stipulated conditions and timelines.

**Circular No. 9/2025 dated 21-07-2025**

Circular No. 9/2025, issued by the CBDT on July 21, 2025, partially modifies Circular No. 3/2023 and extends relief for deductors/collectors who face notices for “short-deduction/collection” when dealing with inoperative PANs under Rule 114AAA.

- a. If someone pays or credits an amount between 01-04-2024 to 31-07-2025 to a party, whose PAN was inactive but then links their PAN with Aadhaar by 30-09-2025, the payer doesn't have to use the higher TDS/TCS rates and can apply the normal rates.
- b. For payments made on or after August 1, 2025, the normal rates apply as long as the PAN is linked within two months after the month of payment.

**Circular No. 10/2025 dated 28-07-2025**

CBDT, through this circular, has relaxed the time limit for processing electronically filed income tax returns that were wrongly marked as “invalid” by the CPC (Centralized Processing Centre) due to technical reasons for various assessment years. Returns filed electronically up to 31st March 2024, which had been erroneously invalidated, will now be eligible for processing, and intimation under section 143(1) must be issued by 31st March 2026. Subsequent consequences under the Act, including the issue of refund with applicable interest, will apply. However,

in cases where the PAN is not linked with Aadhaar, no refund will be issued, as per Circular No. 3/2023. This move addresses taxpayer grievances and provides an extended window to resolve and process such returns.

**Notification No. 70/2025 dated 01-07-2025**

Cost Inflation Index for the Financial Year 2025-26 has been notified as 376.

**Notification No. 73/2025 dated 09-07-2025**

For the purpose of sec. 54EC, Indian Renewable Energy Development Agency (IREDA) (a Public Limited Government Company established as a Non-Banking Financial Institution) has been notified as Long term specified asset

**Notification No. 74/2025 to 113/2025 dated 11-07-2025**

The Central Government has amended its earlier Notification of various dated relating to sec. 10(23FE). The deadline stated in the earlier notification has now been extended to 31-03-2030 from 31-03-2025.

**Notification F No. 275/27/2025 dated 18-07-2025**

The Central Government has issued a notification u/s 197A(1F), stating that the provisions of Chapter XVII (which concern deduction of tax at source) will not apply to payments received by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT). This exemption is subject to the conditions specified in the United Nations (Privileges and Immunities) Act, 1947, and the relevant Ministry of External Affairs notification.

**Notification No. 124/2025 dated 24-07-2025**

The Central Government, exercising powers under section 35(1)(ii) of the Income-tax Act, 1961 (read with Rules 5C and 5E of the Income-tax Rules, 1962), has approved the organisation “Gitarthganga” (PAN: AAATG1334K), Ahmedabad, as an ‘Other Institution’ for engaging in ‘Social Science or Statistical Research.’ This approval falls under the category specified in section 35(1)(iii) of the Act, enabling contributions to this institution to be eligible for weighted deduction under section 35 for donors. The notification is applicable for five assessment years, from AY 2026-27 to AY 2030-31.

**Notification No. 125/2025 dated 24-07-2025**

The Central Government, exercising its powers under section 35(1)(ii) of the Income Tax Act, 1961, has approved the 'IQRAA International Hospital and Research Centre' (under the aegis of JDT Islam Orphanage Committee, PAN: AAATJ1934A, Kozhikode, Kerala) as an 'Other Institution' for 'Scientific Research' purposes. This approval allows donations made to this institution to be eligible for weighted deduction under section 35(1)(ii) for donors. The approval is valid for five assessment years, from AY 2026-27 to AY 2030-31.

**Notification No. 126/2025 dated 28-07-2025**

The Central Board of Direct Taxes (CBDT) has notified the Income-tax (Twentieth Amendment) Rules, 2025, amending Rule 21AK of the Income-tax Rules, 1962. The amendments primarily relate to expanding the list of specified transactions and entities concerning International Financial Services Centres (IFSCs).

Key changes include:

- ⊙ The scope of instruments and participants recognised under the rule is widened by including "over-the-counter derivatives" alongside "offshore derivative instruments".
- ⊙ The definition of eligible entities is expanded: any "Foreign Portfolio Investor" (FPI) being a unit of an IFSC is now explicitly included.
- ⊙ The Explanation to Rule 21AK is amended to define "Foreign Portfolio Investor" as a person registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019.

These amendments come into effect from the date of publication in the Official Gazette and aim to facilitate and clarify the tax treatment of transactions involving offshore derivatives and FPIs within IFSCs.

**INDIRECT TAXES****Customs****Notification No. 33/2025 – Customs dated 18-07-2025 & 34/2025 – Customs dated 19-07-2025**

The Central Government, u/s 25(1) of the Customs Act, 1962, has amended Notification No. 146/94-Customs dated 13th July 1994. The amendment inserts a new serial number 10A in the specified list regarding customs exemption for "Horses for polo." The notification grants customs

duty exemption on the import of horses for polo under certain conditions, effective from 19th July 2025.

**Key Highlights:****1. Eligible Importers:**

- ⊙ Polo teams of Indian Army and Indian Navy
- ⊙ Polo teams of Central Armed Police Forces
- ⊙ Civilian polo teams that have participated in recognized 14-goal level tournaments (Indian National Championship or any other recognized by the Indian Polo Association)
- ⊙ Individual players (male and female) who have been active members of the Indian Polo Association for at least five years, categorized as:
  - ⬆ Senior Male Players with +1 handicap and above
  - ⬆ Senior Female Players with -1 handicap and above
  - ⬆ Junior Male Players who have participated in Junior National Championships and played in winner/runners-up teams
  - ⬆ Junior Female Players who meet similar participation criteria

**Quantity and Periodicity Limits:**

- ⊙ **Polo teams:** Up to 30 horses every 2 years
- ⊙ **Individual players:** Up to 6 horses every 3 years

**Import Procedure:**

- ⊙ Importers must produce a certificate from an officer of the Ministry of Youth Affairs and Sports (rank of Deputy Secretary or above) at the time of import.
- ⊙ The certificate must state:
  - ⬆ Importer's name and address
  - ⬆ Description, quantity, and value of horses
  - ⬆ Compliance with quantity and periodicity conditions

**Licensing Conditions:**

Imports are subject to conditions imposed by the Directorate General of Foreign Trade.

This amendment provides structured customs duty exemption focusing on promoting polo by easing import of horses for qualified teams and players under

specified oversight and quantity restrictions.

However, vide Notification No. 34/2025-Customs dated 19-07-2025, in exercise of the powers conferred by sec. 25(1) of the Customs Act, 1962, the Central Government made the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 146/94-Customs, dated the 13th July, 1994

In the said notification, in the Table, S. No. 10A and the entries relating thereto shall be omitted.

### **Circular No. 18/2025 – Customs dated 22-07-2025 & 19/2025 – Customs dated 23-07-2025**

The Central Board of Indirect Taxes & Customs (CBIC) has issued this circular to inform that the previously available online digitized application system hosted on the Invest India microsite for the Manufacture and Other Operations in Warehouse Regulations (MOOWR) scheme will no longer be accessible for submission of applications. Applicants who wish to obtain licenses under section 58 and permissions to operate under section 65 of the Customs Act, 1962, must now submit their applications in the prescribed physical format directly to the jurisdictional Principal Commissioner or Commissioner of Customs. Trade and field formations are advised to follow and communicate this updated procedure accordingly.

This change effectively discontinues the online facility introduced earlier for ease of application submission under the MOOWR scheme, reverting to manual submission to Customs authorities.

Further, circular 19/2025 has been issued to revise the instruction

#### **Key Points:**

- ⊙ **Continuation of Online Facility:** Contrary to the earlier circular which discontinued the online application system hosted on the Invest India portal, the CBIC has decided to continue this online facility up to 31st October 2025 as a temporary arrangement. Applicants may still use the portal for submitting applications under sections 58 and 65 of the Customs Act, 1962.
- ⊙ **Processing of Applications:** Applications submitted through the Invest India portal will be processed by the jurisdictional Principal Commissioners/Commissioners of Customs in line with existing legal provisions and instructions.

- ⊙ **Future Transition:** CBIC is working on an alternate electronic model for MOOWR applications. Details and timelines for transitioning to the new system will be issued in due course.
- ⊙ **Withdrawal of Earlier Circular:** Circular No. 18/2025-Customs (dated 22.07.2025), which had directed submission by e-mail and withdrawal of the online system, is hereby withdrawn.
- ⊙ **Communication to Stakeholders:** Field formations are advised to inform trade and industry associations immediately about the continuation of the online system and extend necessary guidance to ensure smooth facilitation.

This circular aims to maintain convenience and continuity in MOOWR application submission while a new digital platform is being developed.

### **Circular No. 20/2025 – Customs dated 24-07-2025**

The Central Board of Indirect Taxes and Customs (CBIC) has issued Circular No. 20/2025 to clarify the requirements regarding the correlation of technical characteristics, quality, and specification of imported inputs with the export product under the Duty-Free Import Authorization (DFIA) Scheme, as per the Foreign Trade Policy (FTP) 2023 and related customs notifications.

#### **Key points of the circular:**

- ⊙ **Policy Context:** Paragraphs 4.12, 4.28(iv), and 4.29 of FTP 2023 and condition (iii) of Customs Notification No. 25/2023-Cus dated 1st April 2023 set the framework for input correlation requirements under the DFIA scheme.
- ⊙ **Trade Representations:** Exporters have reported difficulties due to Customs authorities insisting on proof of a close nexus or correlation between imported goods and the inputs actually used in making the exported product in all imported cases under the DFIA Scheme.
- ⊙ **Clarification by CBIC:** For inputs mentioned in paragraph 4.29 of FTP 2023 (listing about 22 specific items), exporters must provide declarations about the technical characteristics, quality, and specification of inputs used in the export product in the shipping bill or bill of export. Correlation of input details with export product is mandatory here.

For inputs covered under paragraphs 4.12 and 4.28(iv) of FTP 2023, where the Standard Input-Output Norms (SION) allow use of generic or alternative inputs, only the specific input name and quantity actually used in manufacturing the export product need to be declared in the shipping bill. Detailed correlation of the technical quality or specification of these inputs with the export product is not required.

- ⊙ **Implementation:** Customs should not insist upon technical correlation for inputs other than those listed under paragraph 4.29.
- ⊙ Exporters and Customs staff should follow this clarification strictly to avoid unnecessary procedural difficulties.
- ⊙ **Action:** Public Notices and Standing Orders should be issued to the trade and Customs staff for guidance. Any issues faced during implementation should be reported to CBIC promptly.

This circular provides much-needed clarity and eases procedural difficulty for exporters under the DFIA scheme by limiting the detailed correlation requirement of imported inputs only to specified inputs under paragraph 4.29 of the FTP, while simplifying compliance for other inputs.

### **Instruction No. 24/2025 – Customs dated 22-07-2025**

Acceptance of electronic Certificate of Origin (e-CoO) issued under the India-Mauritius CECPA.

#### **Key points of the instruction:**

- **Introduction of e-CoO:**
  - ⊙ Effective from 1st June 2025, the Mauritius Revenue Authority (MRA), Customs Department, has started issuing electronic Certificates of Origin (e-CoOs) under the India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA).
- **Validity of e-CoO:**
  - ⊙ The e-CoO issued electronically by MRA is considered a valid document for claiming preferential tariff benefits under the CECPA, provided it:
    - ▲ Is in the prescribed format,
    - ▲ Bears the seal and signatures of

authorized signatories,

- ▲ Meets all requirements specified in Notification No. 38/2021-Customs (N.T.) dated 31st March 2021.

#### • **Verification Mechanism:**

- ⊙ Customs officers will verify e-CoOs using the specimen seals and signatures already circulated.
- ⊙ Additionally, authenticity can be verified using a QR code printed on the e-CoO or through the MRA online verification portal.
- ⊙ Any doubts regarding genuineness shall be referred to the FTA Cell under the Directorate of International Customs for further verification with the Issuing Authority.

#### • **Procedural Requirements for Importers:**

- ⊙ Importers or Customs Brokers must mandatorily upload the e-CoO on the e-Sanchit platform while filing the bill of entry.
- ⊙ Key details of the e-CoO, such as unique reference number, date, and originating criteria, must be accurately entered.

#### • **Defacement Process:**

- ⊙ For customs procedural compliance, a printed copy of the e-CoO must be presented to the Customs officer to cross-check particulars entered electronically.
- ⊙ This printed copy will be used in place of defacing original hard copy Certificates of Origin.
- ⊙ The ICES system includes a control to prevent the reuse of the same CoO reference number in multiple bills of entry.

#### • **Implementation:**

- ⊙ Customs formations are advised to note and implement the process to facilitate acceptance of e-CoOs under the India-Mauritius CECPA.

This instruction modernizes and streamlines the process for claiming preferential tariff benefits by recognizing electronic Certificates of Origin issued by Mauritius, integrating verification technologies, and ensuring proper customs compliance procedures. **MA**

# THE MANAGEMENT ACCOUNTANT

## PAPERS INVITED

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

September 2025	Theme	AI – The Genesis of the Virtual World of Business	Subtopics
			<ul style="list-style-type: none"> <li>AI Shaping the Modern Business Landscape</li> <li>Transforming Legacy Systems to E-commerce</li> <li>AI-Driven Redesign of Business Processes for Agility and Efficiency</li> <li>AI-Powered Automation: Accelerating Business Workflows</li> <li>AI in Everyday Business: Real-World Applications</li> <li>Opportunities and Challenges Faced While Working on Automated Software</li> <li>The Evolving Role of CMAs in AI Implementation and Auditing</li> <li>Ethical AI in Business: Responsible use, bias, transparency.</li> <li>Generative AI in Marketing and Customer Experience</li> <li>AI and Decision-Making: Enhancing vs. Replacing Human Judgment</li> </ul>
October 2025	Theme	Cost Management in the Modern Era: Redefining Business Strategies for Sustainable Growth and Operational Efficiency- through Cost Management Lenses	Subtopics
			<ul style="list-style-type: none"> <li>Sustainability Linked Cost Management: An Integral Component of Enhanced Profitability</li> <li>Evolving Role of CMAs in Project Cost Management–delivering real time insights</li> <li>Azure Cost Management: Optimizing Cloud Spend in the Digital Age</li> <li>Technology driven Cost Management for Operational Efficiency- Linking Industry 4.0</li> <li>Managerial Costing Techniques: Tools for Competitive Advantage</li> <li>Behavioral Aspects of Cost management in Organizations – shifting emphasis from cost to value.</li> <li>Cost Management in Supply Chain and Procurement</li> <li>Global Cost Management: Navigating Currency, Compliance, and Cross-Border Operations</li> <li>Nuances and complexities of cost management in B2B Vs B2C</li> <li>Customer profitability analysis – historical, real time and Predictive</li> <li>Redefining Budgeting – Causal based Budgeting</li> <li>Managing Investments - Evaluating strategy through TCO</li> </ul>
November 2025	Theme	Sustainable Finance: Steering India Towards a Greener Future	Subtopics
			<ul style="list-style-type: none"> <li>Sustainability Mission: Unleashing A Journey towards Green Finance</li> <li>Emergence of Climate Policy envisaging Greener Future</li> <li>Vikshit Bharat initiatives for funding climate related Companies</li> <li>India's Green Bond Market</li> <li>India's EV financing landscape to align India's climate priorities</li> <li>Sustainable Finance &amp; Investor Awareness</li> <li>Union Budget 2024-25 decoding Sustainable path to combat impact of climate change</li> <li>India's Journey towards Net Zero by 2070</li> </ul>
December 2025	Theme	Cost Audit: Enhancing Transparency, Efficiency, and Strategic Decision-Making	Subtopics
			<ul style="list-style-type: none"> <li>Legal Framework of Cost Audit in India</li> <li>Role of Cost Auditors in Corporate Governance and Compliance</li> <li>Cost Audit and Performance Improvement: Identifying Inefficiencies</li> <li>Use of Information Technology in Cost Auditing: Tools, Techniques and Challenges</li> <li>Industry specific or Sector Specific guidance on Cost Audit</li> <li>Interpreting the Cost Audit Report: Key Metrics and Insights for Management</li> <li>Cost audit as a tool for strategic planning and pricing decisions</li> <li>Way forward for Cost Audit in India: Strategic Insights Beyond Compliance</li> <li>Linkage of Cost Audit with GST Compliance and Input Tax Credit Verification</li> <li>Cost Audit and Transfer Pricing: Supporting Arms-Length Transactions</li> <li>Using Cost Audit Reports in Tax Assessments and Dispute Resolution</li> <li>Capacity building of CMAs and recommendations for policymakers, industry, and academia in the areas of Cost Audit.</li> </ul>

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

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



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# RESEARCH BULLETIN

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## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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### Call for Research Papers/Articles

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

### Guidelines to submit full Paper

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

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

- ▲ Sustainable Development Goals & Strategies for organizational sustainability
- ▲ Circular Economy and Digitalization
- ▲ Work-life Balance and Stress Management
- ▲ Analytics for Sustainable Business
- ▲ Hyper-automation and the Evolving Workforce
- ▲ Cross-Border Ecommerce
- ▲ Quality Management and Assurance
- ▲ Green Supply Chain Management
- ▲ Corporate Governance
- ▲ Financial Risk Management
- ▲ Corporate Social Responsibility
- ▲ Microfinance
- ▲ Banking & Insurance
- ▲ Taxation
- ▲ Venture Capital Financing
- ▲ Green financing for Resilient Future

**Papers must be received within**

**15<sup>th</sup> August, 2025**

**in the following email id:**

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# Benevolent Fund

## FOR THE MEMBERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

CMA Bhawan, 12 Sudder Street, Kolkata - 700016

### OBJECTIVE

The Fund has been created to provide outright grant of prescribed amount to the member in the event of critical illness of a member / beneficiary of the Fund. It is also for outright grant of prescribed amount to the beneficiary in the event of death of a member of the Fund.

### LIFE MEMBERSHIP FEE

Onetime payment of ₹7500/-

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- ⊙ **Income Tax Benefit under section 80G**
- ⊙ **Outright grant not exceeding ₹3,00,000.00/- in each case to the beneficiary in the event of death of the member.**
- ⊙ **Outright grant not exceeding ₹1,50,000.00/- in each case to the member and beneficiary for critical illness duly certified by the doctor under whom the treatment is continuing.**

#### Coverage of Critical Illness, leading to hospitalization, may cover the following -

- ⊙ Cancer / Malignancy
- ⊙ Coronary Artery Bypass Graft Surgery
- ⊙ Stroke / Cerebral Attack / Paralysis
- ⊙ Heart Valve Replacement Surgery
- ⊙ Myocardial Infarction (heart attack) / Heart Failure / Pace Maker Surgery / Kidney Dialysis(CKD)/ Renal Failure
- ⊙ Major Organ Transplant
- ⊙ Hemophilia
- ⊙ Thalassaemia
- ⊙ Neurological Diseases
- ⊙ Flue Blown acquired Immune Deficiency Syndrome
- ⊙ Multiple sclerosis
- ⊙ Tuberculosis / Bronchopneumonia/ Pleurisy
- ⊙ Permanent disablement
- ⊙ Any other disease that may be considered by the Board of Trustees to be critical in nature.

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