

THE MANAGEMENT ACCOUNTANT

ISSN 0972-3528

November 2020 | VOL 55 | NO. 11 | Pages - 124 | ₹ 100



AGRICULTURAL COSTING & PRICING

Journal of

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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

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

VISION STATEMENT

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

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- to develop the Cost and Management Accountancy profession
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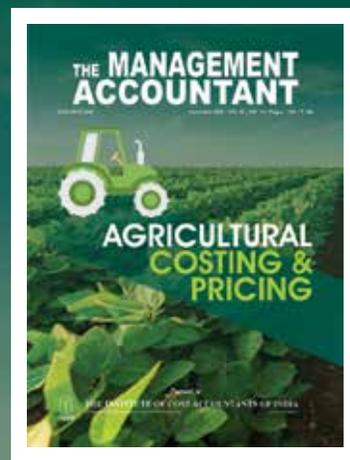
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तमसोमा ज्योतिर्गमय
मृत्योर्मा मृतं गमय
ॐ शान्ति शान्ति शान्तिः

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

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INSIDE COVER STORY NOVEMBER 2020



November VOL 55 NO.11 ₹100

DOUBLING THE FARMER'S INCOME BY 2022 – CURRENT SCENARIO, ISSUES & CHALLENGES AND WAY FORWARD	21
AGRICULTURAL TRANSFORMATION TO BRING THE SDGs TO FRUITION	25
AN ENQUIRY INTO THE ROLE OF MARKET INTERMEDIARIES IN INDIA'S ONION CRISIS	34
AGRICULTURAL COSTING – OBJECTIVES AND SCOPE	38
THE OUTLINE OF THE CURRENT SCENARIO AND GOVERNMENT POLICY IN AGRICULTURE MARKETING	44
DOUBLING OF FARMERS INCOME - BACKDROP, EFFORTS, ACTUAL PROGRESS & FUTURE COURSE CORRECTION	48
AGRICULTURE MARKETING ISSUES, CHALLENGES AND STRATEGIES TO IMPROVE AGRICULTURE PERFORMANCE	54



INTERVIEW

CMA AJAY AGARWAL (ICoAS) 60
 Director (Finance)
 Security Printing and Minting Corporation of India Ltd. (SPMCIL)
 New Delhi

DIGITAL TRANSFORMATION

DIGITAL TRANSFORMATION - INDIAN
STARTUP ECOSYSTEM AND BLOCKCHAIN
PLATFORM FOR CROWD FUNDING 64

HR

LEADING IN UNCERTAIN TIMES –
PREREQUISITES FOR BETTER NAVIGATION 70

TAXATION

ANALYSIS OF NEWLY INTRODUCED TCS
PROVISIONS U/S 206(1H) OF THE INCOME
TAX ACT, 1961 (w.e.f. 01.10.2020) 73

FINANCE

ROLE OF FINANCIAL CONCURRENCE IN
PUBLIC SECTOR UNDERTAKINGS (PSUs) 76

START UP

INDIAN START-UPS: ISSUES, CHALLENGES
AND OPPORTUNITIES 80

BANKING

IMPLEMENTING BALANCED SCORECARD AS
STRATEGIC PERFORMANCE MEASUREMENT
AND MANAGEMENT TOOL IN FINANCIAL
SECTOR - A STUDY OF PUBLIC SECTOR
BANKS IN INDIA 85

THE BEHAVIOUR OF BANK'S LIQUIDITY IN
THE LIGHT OF FINANCIAL CRISIS
- A STUDY OF INDIAN COMMERCIAL
BANKS 90

ONLINE EDUCATION

PRESENT SCENARIO OF 'ONLINE EDUCATION'
DURING COVID-19 PANDEMIC 94

<i>Editorial</i>	06
<i>President's Communique</i>	10
<i>Chairman's Communique</i>	16
<i>ICAI-CMA Snapshots</i>	18
<i>Digital Object Identifier (DOI) - October</i>	63
<i>Down the Memory Lane</i>	102
<i>Institute News</i>	104
<i>Statutory Updates</i>	111

We have expanded our Readership from 1 to 94
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Afghanistan, Algeria, Argentina, Australia, Azerbaijan, Bahrain,
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*The Management Accountant, official organ of The Institute of Cost
Accountants of India, established in 1944 (founder member of IFAC, SAFA and
CAPA)*

EDITOR - CMA Dr. Debaprosanna Nandy
on behalf of The Institute of Cost Accountants of India, 12, Sudder Street,
Kolkata - 700 016, P. S. New Market, West Bengal
e-mail: editor@icmai.in

PRINTER & PUBLISHER - Dr. Ketharaju Siva Venkata Sesha Giri Rao
on behalf of The Institute of Cost Accountants of India, 12, Sudder Street,
Kolkata - 700 016, P. S. New Market, West Bengal

**PRINTED AT - Spenta Multimedia Pvt. Ltd., Plot 15, 16 & 21/1
Village - Chikhholi, Morivali, MIDC, Ambarnath (West), Dist: Thane - 421505**
on behalf of The Institute of Cost Accountants of India, 12, Sudder Street,
Kolkata - 700 016, P. S. New Market, West Bengal

**PUBLISHED FROM - The Institute of Cost Accountants of India, 12, Sudder
Street, Kolkata - 700 016, P. S. New Market, West Bengal**

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

The Management Accountant technical data

Periodicity : Monthly
Language : English

Overall Size : - 26.5 cm x 19.5 cm

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

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

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The Management Accountant Journal is Indexed and Listed at:

- Index Copernicus and J-gate
- Global Impact and Quality factor (2015):0.563

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EDITORIAL

Greetings!!!

Indian Agricultural industry, with its allied sectors, is undeniably the largest livelihood provider in India, more so in the vast rural areas. It also contributes a noteworthy figure to the Gross Domestic Product (GDP). The high proportion of agricultural land, diverse-agro climatic conditions for cultivating different crops are some of the factors favoring agriculture in the country. Schemes such as *Paramparagat Krishi Vikas Yojana (PKVY)* are helping in developing organic farming by promoting farmers to produce commodities free of pesticide and residue.

The sudden breakout of pandemic Novel Coronavirus resulting in continuous lockdown for a few months have adversely affected the Indian economy due to shutdown in most industries. With agriculture forming nearly 15-18 percent of Indian GDP over the last few years, its importance in providing a cushion to the Indian economy would gain even more relevance this financial year, as growth in the other sectors has been weakened due to Covid-19. Firmness in agro prices could boost the production and GDP further. The year 2020-21 could well be the year for the Indian Agricultural sector.

The SDGs as specified in the 2030 Agenda for Sustainable Development aims at protecting the planet, ending poverty and hunger, sustainably managing natural resources, building global partnerships, reducing inequality, and ensuring prosperity and well-being for the global population by 2030. The agricultural sector, being at the crux of this agenda, can take an active role in achieving the SDGs.

The government has passed few ordinances in the recent past to liberate farmers from the restrictive marketing regime that has managed the marketing of agriculture produce for decades. This sweeping stroke promises to bring the entire world of farming technology, post-harvest management and marketing channels at the doorstep of the farmer. The national vision of the farm sector is to double the

income of farmers by 2022. This move is revolutionary since income is intrinsically linked to how the markets of the harvested produce function.

First, ***Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020*** that intends to create an ecosystem where the farmers and traders would enjoy freedom of choice of sale and purchase of agro-produce. It would also promote barrier-free inter-state and intra-state trade and commerce outside the physical premises of markets notified under State Agricultural Produce Marketing legislations. The farmers will not be charged any cess or levy for sale of their produce and will not have to bear transport costs. The Bill also proposes an electronic trading in transaction platform for ensuring a seamless trade electronically. In addition to mandis, freedom to do trading at farmgate, cold storage, warehouse, processing units etc. Farmers will be able to engage in direct marketing thereby eliminating intermediaries resulting in full realization of price.

Again, ***The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020*** has been passed to empower farmers for engaging with processors, wholesalers, aggregators, wholesalers, large retailers, exporters etc., on a level playing field. Price assurance will be given to farmers even before sowing of crops. In case of higher market price, farmers will be entitled to this price over and above the minimum price. It will transfer the risk of market unpredictability from the farmer to the sponsor. Due to prior price determination, farmers will be shielded from the rise and fall of market prices. It will also enable the farmer to access modern technology, better seed and other inputs, reduce cost of marketing and improve income of farmers. Effective dispute resolution mechanism has been provided with clear timelines for redressal. Emphasis to be given on improvement of research and technology.

The convergence of government policy, technology, and consumption



has led to the emergence of many agro companies. Together, these agrotech startups are working to enhance crop output, increase farmer incomes, better farm management, and drive efficiencies in the farm-to-fork value chain. Such startups who are starting new enterprises often face difficulty in raising investment capital. The CMAs with their professional expertise can negotiate with banks and other agencies in order to get the assistance they need to establish their new enterprise. Also, the CMAs can apply Value Chain Management technique to facilitate management in minimizing resources and accessing value at each chain level, resulting in optimal process integration, decreased inventories, quality service and enhanced customer satisfaction. Further, Organic food, which is gaining immense popularity these days for its health and environmental benefits; even here CMAs are competent enough to advise suitable pricing strategies for enhancing marketability of the organic products and also apply Cost Management techniques for cost control and cost reduction to increase productivity and consumerism.

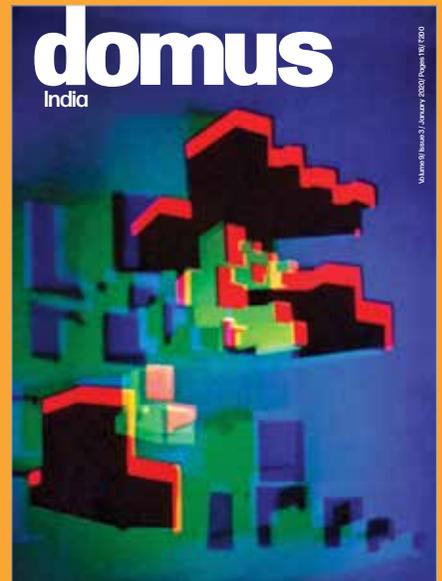
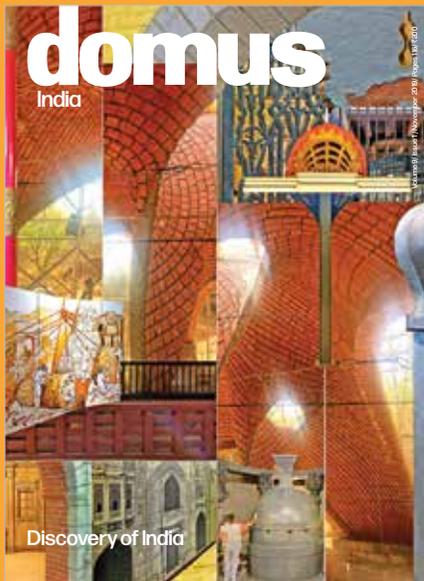
This issue presents a good number of articles on the cover story "*Agricultural Costing & Pricing*" written by distinguished experts. We look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers would enjoy the articles.

May the light that we celebrate at Diwali show us the way and lead us together on the path of peace, prosperity and social harmony. Wishing everyone a very Happy Diwali ahead!!!

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India

Since 1928, *Domus* has been considered the most prestigious international review of developments and thinking in architecture, art and product design, as well as cities and urbanism with a global readership of professionals, specialists and members of the general public. The Indian edition – the first *Domus* exclusively in the English language – aims to record and debate the latest architectural and artistic movements in India and the world through its exciting content and rich visuals. *Domus India* carries reviews of architectural and design projects as well as essays that are thought-provoking and engaging. Critical texts bring forth issues and concerns central to architectural practice, along with the worlds of art, design, history, culture and society in contemporary India.



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THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

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

December 2020	Theme Indian MSMEs: Key to Economic Restart	Subtopics <ul style="list-style-type: none"> • Significant role of MSMEs towards attainment of visionary Atmanirbhar Bharat • Revision of definition of MSMEs: A step to boost investment and Ease of Doing Business • COVID-19 and its impact on Indian MSMEs • Innovation and Digitalization: Changing the MSME landscape • RestartIndia: an Advisory Platform for MSMEs • Equity Infusion in MSME • e-Market linkage for MSMEs • Government Packages to cater MSMEs in the new Normal • Subordinate Debt for Stressed MSMEs • Potential for MSMEs in the Defence Sector • Exploring opportunities for MSMEs in India post COVID-19: Role of CMAs
January 2021	Theme Catalytic role of the Banking Sector for India's Economic Revival	Subtopics <ul style="list-style-type: none"> • Inclusion of Startups in Priority Sector Lending: a welcome move towards inclusive development of the nation • Loan Restructuring Scheme for COVID-19 hit stressed borrowers • Future of Banking post-Covid 19 pandemic • Credit guarantee to MSMEs in support of Atmanirbhar Bharat Abhiyaan • Loan Moratorium: an Aid to Ease Financial Stress • Door Step Banking: a Revolutionary Initiative • The Digital imperative for Banking in the New Normal • Emerging Cyber Security Threats in the Banking Sector • Artificial Intelligence (AI): A major game-changer in the Bank Risk Management • EASE 3.0 — Smart, Tech-enabled Banking for Aspiring India: Exploring professional scope for CMAs
February 2021	Theme Healthcare Cost Management in India: The Way forward	Subtopics <ul style="list-style-type: none"> • Cost Benefit Analysis (CBA) in Healthcare Industry • Time-driven Activity Based Cost Model for improved Healthcare Resource Mapping • Balanced Scorecard: A Powerful Organizational Tool for Strategic Planning and Driving Performance in Healthcare Industry • Impact of Artificial Intelligence for Cost-Effective Clinical Trials in the New Normal • Price-Transparency in the age of COVID-19: The growing importance of Cost Accounting • Health Insurance: Demystify New Challenges, Products, and Opportunities during COVID-19 and beyond • Wellness Programmes: A remedy for reducing Healthcare Costs • Frugal Innovation, Digital Health and Data Sciences: the Way forward for India to attain Trillion Dollar Economy • Government Policies to curb Healthcare Cost and provide affordable Healthcare Services for the mass • Value Addition to Healthcare: Role of CMAs
March 2021	Theme Women in the Workplace: Stepping towards Generation Equality	Subtopics <ul style="list-style-type: none"> • Social, Political and Legal Dimension of Women Empowerment • Self Help Group (SHG): An effective approach towards Women Empowerment in India • Electronic and Print Media: A significant tool to accelerate Women Empowerment • Dynamic Role of Women in the Workforce • Factors concerning female participation in the Corporate Sector • Breaking Barriers: Women Change-makers in this era of digitization • Gender Equality Efforts by the Government • Female leaders shaping the future world: Building a New Normal • Women in Board Rooms • Women Entrepreneurs in India

The Above Subtopics are only suggestive and hence the articles may not be limited to them only.

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



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The Institute of Cost Accountants of India

“The negligence of a few could easily send a ship to the bottom, but if it has the wholehearted co-operation of all on board it can be safely brought to the port.”

- Sardar Vallabhbhai Patel

My Dear Professional Colleagues,

With the air filled with festive excitement, the month of November holds some very special festivals of India. I convey my warm greetings & good wishes to the entire CMA fraternity for all the forthcoming festivals. Diwali marks the victory of good over evil and brightness over darkness. May this auspicious festival of lights illuminate your life and bring good health, wealth and prosperity.

December 2020 Examination

The pandemic has affected educational systems worldwide, leading to the near-total closures of schools, institutions, universities and colleges. Online learning and online examination has become a critical lifeline for education, as institutions seek to minimize the potential for community transmission. Governments across countries have initiated universities and higher education systems to adapt to remote instruction to cover lectures, exams, evaluations, and result publications.

The Institute is committed to take every possible step in the overall interest of student community in the present scenario. Online classes for students and online home based

examination for the foundation course are some of the important decisions already implemented successfully. Taking into consideration the prevailing condition, it is not possible to conduct the examination in physical exam mode for December 2020. So, the Institute to manage the affairs in the best interest of all stakeholders has decided to conduct the Intermediate and Final Examination in December 2020 in Online Mode only. This is the merged examinations of both June 2020 term and December 2020 term.

Candidates/Students are instructed to provide current in-use correct and updated contact details like mobile number and e-mail Id with all other required credentials with selection of:

1. Center based Online
2. Home based Online to appear in the December 2020 examination
3. Opt-Out for next term in the form

The last date for filling-up of credentials and selection of any one of the above mentioned three options is 12th November 2020. Kindly visit the link available at <https://icmai.in/studentswebsite/exam.php>. Please note that after selection of an option to appear in the said examination, no request for any change will be entertained.

The Candidates/students are advised to visit the website of the Institute regularly for further notifications and announcements relating to December 2020 examination and in case of any query or clarification can e-mail us at - exam.helpdesk@icmai.in

Meeting with Member Finance, Railway Board

I along with CMA P. Raju Iyer, Vice-President, CMA Chandra Wadhwa, Past President and CMA B.B. Goyal, Advisor, ICWAI MARF and former Addl. Chief Adviser, Ministry of Finance, GoI extended greetings to Shri Naresh Salecha, Member Finance, Railway Board on 14th October 2020 and

discussed about the progress of Indian Railways project on Performance Costing System in Indian Railways and other matters related to the CMA profession.

PCS Project for Indian Railways

I am happy to report that the ICWAI Management Accounting Research Foundation has submitted its Final Report on Performance Costing System (PCS) in Indian Railways on October 30, 2020. This report on the prestigious project has been well received and appreciated by the Ministry of Railways (Railway Board). I congratulate the entire team for accomplishing this difficult task that was made possible by continuous monitoring and guidance by the Monitoring Task Force under the Chairmanship of CMA P. Raju Iyer, Vice-President, ICAI and Director, MARF.

MOU with Government of Jammu and Kashmir

I am pleased to share that the Institute has signed a MoU with Higher Education Department, Government of Jammu and Kashmir on 29th October 2020 in the presence of CMA P. Raju Iyer, Vice President, CMA Neeraj D. Joshi, Chairman, Management Accounting Committee and CMA Bashir Masoudi, Chairman, Srinagar Chapter of the Institute. The MOU provides for effective collaboration between the Institute and J&K Government for implementation of Skill Programme, Guidance in Development of Curriculum, Identification of Qualification Packs (QPs), Guidance in Development of Physical Infrastructure Labs, etc., Conduct of Assessments and Award of Certifications to benefit the student community at Colleges of UT of J&K to enhance their skills and knowledge.

Two Days' Global Virtual Conference by ASSOCHAM

I am pleased to inform you that the Institute associated with ASSOCHAM as "Supporting Partner" for organizing Two Days' Global Virtual Conference on "Audit, Risk & Governance, Emerging Trends, Current Challenges and Way Forward" on 27th & 28th October 2020. Eminent national and international speakers from the industry and associations deliberated on the recent global developments in audit profession, regulation and technology as well as to promote professional, organisational ethics and good governance in letter and spirit. I represented the Institute in the conference and delivered keynote address on "Cost Audit Perspectives" on 28th October 2020. Participants from government, business, industry and profession participated in the conference on subject of utmost significance.

Webinar by NIRC

I along with CMA Balwinder Singh, Immediate Past

President, CMA Chittaranjan Chattopadhyay, Chairman - Banking, Financial Services & Insurance Committee and Indirect taxation Committee of the Institute participated in the webinar organized by the NIRC of the Institute on "Stock Audit - Globally Sustainable Approach" on 20th October 2020. CMA (Dr.) Rajkumar S. Adukia and Shri Ravi Chopra, Prominent Author - Stock Audit were the "Key Note Speakers" of this webinar which was well received by the participants.

National Webinar by Kota Chapter

A National Webinar on "National Education Policy 2020 & Standardisation of Costing Concepts" was organised jointly by the Kota Chapter of the Institute and Indian Accounting Association, Kota Branch on 4th October 2020. Prof. Neelima Singh, Vice Chancellor, University of Kota, Prof. Kailash Sodani, Former Vice Chancellor, GGT University, Banswara and MDS University of Ajmer, Prof. G. Soral, President, IAA, Former Dean & Head MLS University, Udaipur, Prof. K. Eresi, Chairman-PBL Committee, IAA, Past President-IAA, Former Professor & Dean, University of Bangalore, Prof. Sanjay Bhayani, General Secretary IAA, Dean & Head Department of Business Management, Saurashtra University, Rajkot were the Guest of Honours. The event witnessed the participation by CMA P. Raju Iyer, Vice President, CMA Balwinder Singh, Immediate Past President and other council members of the Institute. Dr. Narayan Lal Gupta, Jt. Secretary, ABRSM and Prof. Ranjan K. Bal, Past President IAA, Former Professor, PG Department of Commerce and Department of Business Administration, Utkal University, Bhubaneswar were the eminent speakers who deliberated on webinar topic. I congratulate CMA Akash Agarwal, Chairman Kota Chapter and his team for the successful conduct of the National Webinar.

PD programme by Bangalore Chapter and Mysore Chapter

I along with CMA P. Raju Iyer, Vice President attended the Professional Development Programme on the topic "An analysis of the Companies (Amendment) Act 2020" jointly organised by Bangalore Chapter and Mysore Chapter of the Institute on 21st October 2020. CMA (Dr.) P.V.S. Jagan Mohan Rao, Immediate Past President & Advisor of SAFA and former Council Member of the Institute was the "Guest of Honour & Speaker". Participants were immensely benefited with the deliberations.

Webinar organized by WIRC and Ahmedabad Chapter for CMA Students

I along with CMA P. Raju Iyer, Vice President of the Institute addressed the CMA Students during the webinar on "Thought process behind online Examination"

organized by the WIRC of the Institute under the Chairmanship of CMA Harshad S Deshpande on 24th October 2020. Another important webinar for the CMA Students was organized by the Ahmedabad Chapter on 31st October 2020 on “CMA Online Exam – Welcome to the New Normal”. I along with CMA P Raju Iyer, Vice President, CMA Balwinder Singh, Immediate Past President, CMA Ashwin G. Dalwadi, Chairman, IT and CAASB and CMA Ashish Bhavsar, Secretary WIRC of the Institute addressed the students to clarify their doubts on the online examinations to be held in December 2020.

Webinar by Noida Chapter

I attended a webinar organized by the Noida Chapter on the theme “Building Costing System for Better Decision Making” on 31st October 2020. Shri Pankaj Singh – Hon’ble MLA, Noida graced the event as the ‘Guest of Honour’ and CMA R. Parvathy was the resource person. The session was immensely helpful for the members in understanding the importance of building costing system for better decision making.

I now present a brief summary of the activities of various Departments/Committees/Boards of the Institute, in addition to those detailed above:

BOARD OF ADVANCED STUDIES & RESEARCH

I am pleased to share that the Board of Advanced Studies & Research has announced online admission to its 4th Batch of “Certificate Course in Data Analytics for Finance Professionals” and 1st Batch of Certificate Course in Advanced Business Excel for Finance Professionals [with Microsoft Certification].

Besides, online live classes for 1st & 2nd Batches of “Certificate Course in Data Analytics for Finance Professionals”, “Executive Diploma in Business Valuation”, “Certificate Course in Arbitration” and revisionary class for 1st Batch of SAP are being conducted on regular basis to facilitate and train the participants with the intricacies of the subject matter.

The Board of Advanced Studies & Research organized a Virtual National Seminar on “Forensic Audit & Fraud Detection” on 3rd October 2020. I had the opportunity to inaugurate the virtual event. The Chief Guest of the event was Mr. G Jagan Mohan, General Manager, Central Fraud Monitoring Cell, Reserve Bank of India and the welcome address was delivered by CMA Debasish Mitra, Chairman, Board of Advanced Studies & Research. CMA P. Raju Iyer, Vice President summed up the whole session. Speakers at the technical sessions were CMA Neeraj Aarora, Advocate on Record, Supreme Court of India, Special Public Prosecutor with NIA and CA Chetan Dalal, CEO, Leading Investigation Specialist Organization. The vote of thanks was offered by CMA Dr. D.P. Nandy, Sr. Director of the Institute.

CORPORATE LAWS COMMITTEE

Corporate Laws Committee of the Institute organized a WEBINT on ‘Companies Amendment Act 2020’ on 3rd October 2020. We are grateful to CS Makarand Lele, Government Nominee to the Council of the Institute and Past President, ICSI for kindly agreeing to be the ‘Guest of Honour and Speaker’ to address the participants on the “Companies Amendment Act 2020 and other latest updates”. I had the opportunity to share my views on Companies Amendment Act 2020. CMA P Raju Iyer, Vice President, CMA Balwinder Singh, Immediate Past President, CMA (Dr.) Ashish P. Thatte, Chairman, Corporate Laws Committee also delivered their special addresses on the topic.

Chairman Corporate Laws Committee started the year with a welcome initiative of 9 days 9 session series in form of Webints which were an instant success with the members and other professionals. The WEBINT on various innovative topics on corporate laws taken by CS Makarand Lele, Government Nominee, CMA Neeraj D. Joshi, Council member, CMA L. D. Pawar, Co-opted member of the Committee, CMA Dr. Gopalakrishnan Raju, CS A. Sekar, CS Divya Abhishek and CS Meghna Shah were well appreciated by the various stakeholders of the Institute.

The Corporate Laws Committee has taken a step forward in releasing the first edition of e-bulletin as **CMA Corporate Connect**. The E-bulletin contains articles on subjects penned by the eminent speakers/ professionals. It also covers the recent updates on corporate laws which will be of great importance to our members and students. I congratulate the Chairman and all members of Corporate Laws Committee including Government Nominees for taking this excellent initiative.

DIRECTORATE OF CAT

My Council colleague CMA H. Padmanabhan, Chairman-CAT has been doing exceptional work in spearheading the Institute’s endeavours to be engaged with the Members and Students of the Institute through his initiative of holding WEBINTs during these trying times, when regular seminars, conferences, workshops and classes are not allowed to take place. The contribution of CMA H. Padmanabhan in making WEBINT a grand success will always be remembered in the history of the Institute. CAT conducted several WEBINT programs during the month of October, 2020 on the topics such as IND AS 41 – Agriculture, IND AS 102 - Share Based Payment, IND AS 115 - Revenue from Contract with Customers, IND AS 116 – Leases and Life & Work Management. The Committee also organized a WEBINT Series in association with AAT Board on all Mondays for 10 days starting 26th October onwards.

The Committee organized WEBINTs for the CMA Students on IND AS 41 - Agriculture - Section A - Study

Note – 1, IND AS 102 - Share Based Payment - Section D - Study Note – 6, IND AS 115 - Revenue from Contract with Customers, IND AS 116 – Leases and CMA Final - Paper 17 - CFR - Corporate Financial Reporting.

⊙ Notification - CAT Level II Assessment Tests - November 2020

CAT Directorate issued Notification for the CAT Level II Assessment Tests. These tests will be available at the Institute's website till December 31, 2020. I urge students, who have already passed Foundation Course (Entry Level) Part-I examination, to take up these tests. I also wish students all the best for exams.

⊙ CAT Course under Skill India

CAT Directorate is continuously working to bridge the skill gap in India through its CAT course and working towards running it under skill development programmes run by the Central Government of India and many State Governments. The Directorate wrote to the Chief Ministers & Skill Development Ministers of all the State Governments about CAT course highlighting the recognition of CAT course from BFSI Sector Skill Council of India.

It gives me immense pleasure to share with you that the CAT Directorate is receiving positive responses from many states. I sincerely thank CMA H. Padmanabhan, Chairman and all members of the Committee for putting their sincere efforts and execution for the growth of the CAT Course.

DIRECTORATE OF STUDIES

I am pleased to share that the Directorate of Studies has introduced 'World Class Techno-Skill Development Training' facilities for the CMA Intermediate Students with SAP Certification, Microsoft Certification, Cambridge University Certification and E-Filing to upskill the students for better employability and to groom them as industry-ready professionals. The Training & Placement wing of the Directorate of Studies has already initiated an exhaustive online 'Train-The-Trainers' Program to create an effective resource pool of faculty members in the domain of SAP and other Soft-Skill Training areas for imparting skill training to the students. Further, the Directorate of Studies has taken the following initiatives during the month of October 2020:

- ⊙ An exclusive 'Online Mock Test Platform' with a sufficient number of exercises as per the CMA Curriculum has been developed to facilitate CMA Students for practicing various MCQ and descriptive type problems on a real-time basis in view of forthcoming online examinations. Students can view their score, correct answers, timing, and dummy result sheet after the test is over. This

facility has been extended to the Foundation, Intermediate and Final Level Students.

- ⊙ Subject-wise Online Classes have been conducted on a regular basis to make students well-prepared before the forthcoming examinations.
- ⊙ Online campus placement activities are being organized on a regular basis.

PROFESSIONAL DEVELOPMENT & CPD COMMITTEE

I am pleased to inform you that the Professional Development Directorate is organizing the Online Mandatory Capacity Building Training (e-MCBT) for new COP holders for upgrading the skills and knowledge of CMA Practitioners and enhance their professional Competence & skill benefitting in the competitive environment.

This training is designed to sensitize the new comers with the practical aspects of the allied areas of practice. I request the practicing Cost Accountants who have obtained Certificate of Practice (CoP) w.e.f., 1st February 2019 to register for e-MCBT.

PD Directorate sent representation letters by mail to various organizations for inclusion of cost accountants for providing professional services. I am happy to inform you that on Institute's representation, State Urban Development Agency (SUDA), Urban Development & Housing Department, Jharkhand relaxed the eligibility condition of C&AG empanelment for Cost Accountant Firms.

Please visit the PD Portal for Tenders/EOIs during the month of October 2020, where Cost Accountants are required in Chhattisgarh State Power Generation Company Limited, The Urban Development and Housing Department, Madhya Pradesh PaschimKshetra Vidyut Vitran Corporation Limited, Bharat Sanchar Nigam Limited, Jharkhand Bijli Vitran Nigam Limited, State Bank of India, V.O. Chidambaranar Port Trust, Software Technology Parks of India (STPI) etc.

Professional Development and CPD Committee along with Corporate Laws & Accounting Technicians Committee organized webint on "IND AS 102: Share Based Payment" on 11th October, 2020. Many Practicing Cost Accountants, Insolvency Professionals, Registered Valuers and GST Practitioners participated in the webint.

During the month around hundred webinars were organised by the different committees of the Institute, Regional Councils and Chapters on the topics of professional relevance and importance. We are sure our members are immensely benefited with the deliberations in the sessions.

INTERNATIONAL AFFAIRS COMMITTEE

The International Affairs Committee under the chairmanship of CMA Vijender Sharma, Council Member of the Institute organized a Webint jointly with Management Accounting Committee on the topic "Why the Management Accounting Profession should play a lead role in Integrated Reporting" on 8th October 2020. CMA H. Padmanabhan, Council Member hosted the WEBINT, Mr. Stathis Gould, Director, Advocacy, IFAC was our eminent resource person on the topic and CMA A.N. Raman, Former President, SAFA was the moderator of the Webint which was well appreciated by the participants.

☉ Meeting of SAFA Board

I attended the 64th meeting of South Asian Federation of Accountants (SAFA) Board on 3rd October 2020 through video conferencing. This was the special meeting of the SAFA Board to deliberate and finalize the amendments in the Constitution of SAFA.

TECHNICAL CELL

The Technical Cell of the Institute headed by CMA Chandra Wadhwa, Former President of the Institute held its first web meeting of the term 2020-21 on 16th October 2020. I had the opportunity to attend the meeting and participate in the discussions. The meeting was very intense and fruitful. I congratulate the Chairman and Members of the Cell for holding very constructive discussion on each and every agenda item during the meeting. Among other agenda items, the Cell approved the release of Exposure Draft of Guidance Note on Local / Indigenous Content in Manufacturing / Production & Supply of Goods and Services, for public comments. Accordingly the Exposure Draft was uploaded on the Technical Cell webpage and also sent to members through bulk email. I urge the members to go through the same and offer their suggestions to further improve the draft guidance note. Last date for sending the suggestions / comments is 12th November 2020. The draft shall be finalised by the Technical Cell in the light of the suggestions received from the members and the stakeholders. The exposure draft is available at https://icmai.in/icmai/Technical_Cell/LICMP.php

TAX RESEARCH DEPARTMENT

This Dussehra was celebrated by TRD by conducting a Webint Session with Eminent Tax Expert Dr. Girish Ahuja on Faceless Assessment and Benami Property Transaction Act. It was a wonderfully conducted and very knowledge enriching session. Apart from this, another webint was conducted on E-Invoicing: Understanding the System & FAQ where Shri Suresh Meti, Technical Director, NIC and Shri Ravi Kiran Edara,

Vice –President, Goods and Services Network where the Chief Guests who deliberated on the topic. In addition, webinars were conducted on the topics like (i) Matching Concept under GST, (ii) Interplay between GST and Customs, (iii) Benefits for Senior Citizens under IT Act 1961 and (iv) Section 206C(1H) TCS provision on sale of Goods which would have surely benefitted our members. Recommendations for E-invoicing Mechanism and inclusion of the Cost Accountants in GSTN-10 Certification have been submitted to Shri Yogendra Garg, Principal Commissioner (GST), CBIC. The Tax Bulletin's 72nd and 73rd issues have been released. Classes for all the Taxation Courses- (i) Certificate Course on GST, (ii) Advanced Certificate Course on GST, (iii) Certificate Course on Filing of Returns, (iv) Certificate Course on TDS are going on seamlessly. Admissions for all the Taxation Courses are open till 15th November 2020 for the ensuing batches. Apart from these, in D.G Vaishnav College of Chennai, Crash Course on GST has been completed and exam had also been conducted.

BANKING, FINANCIAL SERVICES AND INSURANCE COMMITTEE

I am happy to state that the BFSI Committee in collaboration with National Institute of Securities Markets (NISM), an educational initiative of SEBI, has started the 1st batch on the Certificate Course on Investment Management (Level 1: Stock Selection and Trading in Equity), the inauguration of which took place on 18th October 2020 under the august presence of Shri S.K. Mohanty, Director of NISM and Whole time Member of SEBI, I along with my Council colleague CMA Chittaranjan Chattopadhyay, Chairman of BFSI Committee, who was instrumental in initiating this collaboration, were present. The inaugural session was also graced by Shri Sunil Jayawant Kadam, Registrar of NISM, Dr. VR Narasimham, Dean & Professor of Practice (School for Regulatory Studies and Supervision (SRSS) & School for Corporate Governance (SCG) of NISM along with CMA Dr. Latha Chari, Associate Professor, (School for Securities Information and Research (SSIR), NISM. The online classes started with a maximum capacity of 50 numbers. I am extremely happy to share that the registration for the 2nd batch of the course has already begun and I request members and students to take advantage of this collaborative initiative between ICAI & NISM and register for the course in large numbers.

BFSI organized a WEBINT on Onshore and Offshore Market for Indian Rupee on 12th October, 2020 which was attended by members and representatives from various financial institutions and Banks. The admission for the 2nd batch of Certificate courses on banking viz. Certificate Course on Concurrent Audit of Banks, Certificate Course on Credit Management of Banks and Certificate Course on Treasury and International Banking has also commenced after overwhelming response was received

for the admissions of the 1st Batch. These courses, it is expected, will go a long way in the capacity building and skill enhancement of the members.

REGIONAL COUNCIL AND CHAPTERS COORDINATION COMMITTEE

I am happy to note that the committee under the Chairmanship of CMA (Dr.) K ChA V S N Murthy has initiated efforts to further improve coordination activities between all our Regions and Chapters with headquarters.

MANAGEMENT ACCOUNTING COMMITTEE

The Management Accounting Committee under the Chairmanship of CMA Neeraj D. Joshi has successfully organized a WEBINT on the 'Cost Management through Quality Systems' on 16th October 2020 for the benefit of members and students of the Institute. I thank our eminent speakers Mr. V. Vijayaraghavan, Principal Consultant and Trainer, TQM Quest Consultancy Services and CMA R Venkataramani, Director, Westcott Electricals Private Limited for their detailed deliberations. I had the opportunity to share my views on the topic. CMA P Raju Iyer, Vice President and CMA Neeraj D. Joshi, Chairman, Management Accounting Committee also delivered their special addresses on the topic.

MEMBERSHIP DEPARTMENT

I congratulate and welcome all the new 156 Associate members who were granted new membership and 48 Associate members who were upgraded to Fellowship during the month of October 2020.

I am happy to note that under the leadership of CMA (Dr.) V Murali, Chairman of the Members Facilities Committee, these new memberships were granted in 4 batches even during festivities in the month of October 2020.

MEMBERS IN INDUSTRY COMMITTEE

The Members in Industry Committee jointly with the Board of Advanced Studies & Research under the Chairmanship of CMA Debasish Mitra organized a 2 Day CMA e-Connect Virtual Seminar on "Case Studies and Intricacies in GSTR Annual Return (GSTR9)" on 17th & 18th October 2020. The virtual event was inaugurated by me along with CMA P Raju Iyer, Vice President of the Institute. The welcome address was delivered by CMA Debasish Mitra and a special address was delivered by CMA Chittaranjan Chattopadhyay, Chairman, Indirect Tax Committee & BFSI Committee. The Chief Guest of the virtual seminar was CMA Amit Sarkar, Sr. Director, Deloitte Haskins & Sells. The keynote speaker for the technical sessions on both the days was CA Pratik Shah, GST Consultant. The vote of thanks was offered by CMA Arup S Bagchi, Sr. Director and CMA Dr. D.P. Nandy,

Sr. Director of the Institute. The event was attended by a good number of CMA members and Final level students.

ICMAI REGISTERED VALUERS ORGANISATION (RVO)

I am pleased to share that ICMAI RVO has taken the following initiatives during the month of October 2020:

- ⦿ 4th and 5th One-day Online "CPE program" to grant "Certificate of Practice"
- ⦿ 4th Online Batch for Land & Building
- ⦿ 4th Online Batch for Plant & Machinery
- ⦿ Saturday Webinar on regular basis

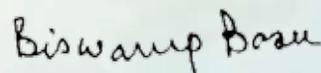
INSOLVENCY PROFESSIONAL AGENCY (IPA) OF THE INSTITUTE

Insolvency Professional Agency of the Institute has organized preparatory Education Course for Limited Insolvency Examination (Virtual) during 3rd to 5th October 2020, Master Class on Personal Guarantors to Corporate Debtors (Virtual) from 16th to 18th October 2020 and 30 Hours Certificate Course on Insolvency Bankruptcy Code (Virtual) from 31st October 2020 to 6th November 2020 for the professional development of its members.

I wish prosperity and happiness to members, students and their family on the occasion of Diwali, Kali Puja, Laxmi Puja, Bhaiya Duj, Children's Day, Chhath Puja and Guru Nanak Birthday and wish them success in all of their endeavours.

Stay safe and healthy!

With warm regards,



CMA Biswarup Basu

November 1, 2020



CHAIRMAN'S COMMUNIQUÉ

CMA (Dr.) K Ch A V S N Murthy

Chairman

Journal & Publications Committee

The Institute of Cost Accountants of India

If I have the belief that I can do it, I shall surely acquire the capacity to do it even if I may not have it at the beginning

- Mahatma Gandhi

I am thankful to the Council Colleagues of the Institute for having faith in my capabilities and reassigning me for the second time the responsibility to serve the Institute as Chairman of the Journal & Publications Committee (2020-21) during this one year. I convey my sincere gratitude to everyone, who supported the activities of the Journal and Publications department and is committed to working relentlessly to meet the expectations of the members, students and other stakeholders.

Our mission is to establish this department as a premier research body in the country to raise public awareness about policy issues in business, trade, society and economy and to facilitate solutions that will contribute to national development.

The following publications are being published regularly by the Directorate of Journal and Publications:

- ⊙ The monthly journal 'The Management Accountant'
- ⊙ Quarterly 'Research Bulletin'

The Management Accountant journal is now available in 94 countries across the world and we are continuously trying to increase the same to other parts of the world. The journal is available on apps for reading through third parties viz. Magzter and Readwhere and we are also trying to enlist the same to other platforms mainly at the International Level. There has also been an endeavour to incorporate special columns in the Journal like Statutory Updates, Digital

Transformation, Down the Memory Lane, Budget highlights and Banking updates for benefit and knowledge of our members and giving our best efforts to reach the unreachable through persistent value addition. Distinguished experts and authors contribute relevant and path-breaking articles and case studies for the journal that not only enhance the quality of the publications, but also give new dimensions and directions towards socio-economic research and policy making.

Agriculture, being a prime linkage between the planet and people, can play a big part in addressing the future needs of the world along with the sustainable management of natural resources. November 2020 of the Journal "The Management Accountant" is based on the theme "Agricultural Costing & Pricing" that focuses on the transformation of the agricultural sector to achieve sustainable development goals by making the agricultural system more efficient, productive, and resilient in a socially-responsible, economically-feasible, and environmentally-sustainable manner.

I request continuous support from every corner in the quest for value creation through the activities of this department. I am also very much confident that the office bearers of the department will provide their assistance and best efforts undoubtedly and commit for its betterment.

We solicit your feedback, suggestions and concerns for the overall development of the Journal and Publications Department. Please send us mails at editor@icmai.in / journal@icmai.in for various issues relating to journal and publications.

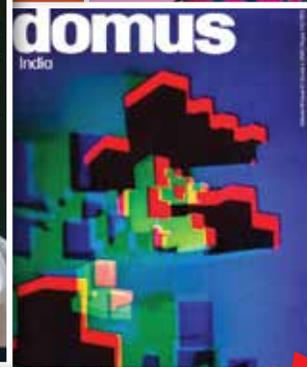
Happy Diwali!!!

CMA (Dr.) K Ch A V S N Murthy

November 1, 2020

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CMA Biswarup Basu, President along with CMA P. Raju Iyer, Vice-President, CMA Chandra Wadhwa, Past President and CMA B.B. Goyal, Former Addl. Chief Adviser, Ministry of Finance, GoI extending greetings to Shri Naresh Salecha, Member Finance, Railway Board on 14th October 2020.

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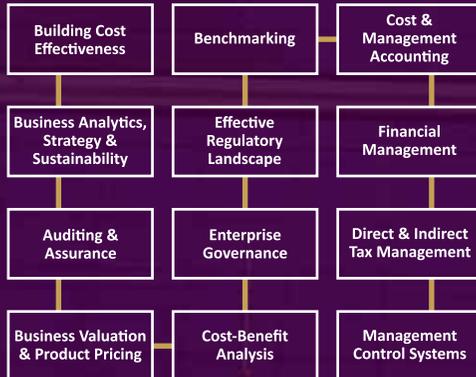
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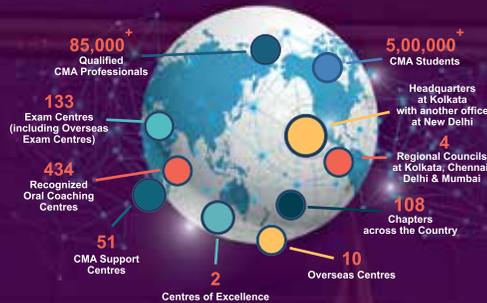
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CMA PROFESSION - CORE STRENGTHS



CMA COURSE 2020 GOING GLOBAL

INSTITUTE NETWORK



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FOREIGN - \$250

INTERMEDIATE
INLAND - Rs. 20,000
FOREIGN - \$1,100

FINAL
INLAND - Rs. 17,000
FOREIGN - \$800

"As a long-term vision of the Institute and professional social responsibility towards the society, the Institute needs to ensure that the students pursuing the CMA Course should possess and acquire robust employability skills to cope with the Global challenges and become a future-ready professional. Hence, the Institute has introduced SAP Finance Power User Program, Microsoft Certification Program, Cambridge University Certification Program and E-filing as a bouquet of World Class Employability and Techno-Skill Training facilities for its Intermediate Students from August 2020 Batch onwards. With these revolutionary steps coupled with the introduction of online examination facility for the students (from home/centre), the Institute is now really going Global."

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			Overseas Centres <ul style="list-style-type: none"> ○ Bahrain ○ Botswana ○ Canada ○ Dubai ○ Muscat ○ Nepal ○ Singapore ○ Tanzania ○ Washington ○ Zambia 	

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DOUBLING THE FARMER'S INCOME BY 2022 – CURRENT SCENARIO, ISSUES & CHALLENGES AND WAY FORWARD



CMA Ranjan Gunjal
DGM Finance
Godrej & Boyce Mfg. Co. Ltd.
Vikhroli, Mumbai

Abstract

For Many Years, Indian Farmer has been at the Mercy of Monsoon, being exploited by Middlemen & Money lenders and being used as a Vote bank by Politicians! Farmers Committing Suicides due to indebtedness and Crop Failures has become a regular feature! Various Governments have made promises to improve the quality of Farmer's Life without working on core issues like Policy Changes, Infrastructure Development and Ease of Doing Agriculture! Will this change any time soon?

Modi Government's vision for New India involves "Sabka Saath Sabka Vikas". Transformation of agriculture sector is crucial in that respect as nearly half of the workforce in the country is employed in agriculture. In 2015-16, Prime Minister, expressed his near-Term Target of Doubling Farmer's Income by 2022-23.

Is it practically possible or is it like one of the Populist Statement? Let's try to understand.

I. Current Scenario

- ⊙ As a country, India is ranked 5th in terms of GDP behind US, China, Japan and Germany. However, if we dig into the details, India's Per Capita GDP in 2019 is @ US\$ 2,100 as compared to US\$ 65,000 of United States and US\$ 10,300 of China for the same Period. In Per Capita GDP, India is ranked 139th which is even below Countries like Nigeria and Ghana. In Short, we are a Poor Country!
- ⊙ If we dig further into Sector wise GDP, Agriculture Sector contributes around 16% to GDP with nearly half of the Population dependent on Agriculture. Considering these Numbers, India's Per Capita Agriculture GDP is @ US\$ 700 (1/3rd of Overall Per Capita GDP). At Current Conversion of Rs. 73 / US\$, Per Capita Agriculture GDP works out to be Rs. 51,000 Per Annum or Rs. 4,300 Per Month, making the Indian Farmer far poorer than Non Agri Worker in India! Till Date, Government of India's initiatives were focused on Food Security & increasing the Agri Output. Now, the focus has changed on increasing the Farmer's Income.

II. Issues & Challenges

India's rapid Economic Development started post liberation of Industry in 1991. Agriculture was left behind at that time (in terms of carrying out Reforms), which resulted into Sectoral Imbalances as growth rate as seen in Manufacturing and Service Sector was not visible in Agriculture as the Sector Growth was lower at 3-4% p.a. Major Issues which has adversely impacted growth of Agriculture and Farmer's income are as follows:

⊙ Lower Productivity

India's Farm Yield is 30-50% lower than that of Developed Nations. Table below compares Yield Per Kg for Cereals (Wheat, Rice, Maize etc.). Reasons for such low Productivity are:

- Fragmented Land Parcels (Average size of Land Holding: 1.08 Hectare),
- Lesser Crop Intensity (60% of Land is unused during the Year due to unavailability of irrigation),
- Minimal use of Technology and
- Heavy dependency on Monsoon

Country	Cereals Yield in 2017 (Kg per Hectare)
USA	8300
China	6000
Brazil	5200
Russia	3000
South Africa	5600
India	3200

⊙ Inefficient & Monopolistic Marketing Channel

- Indian Farmers must go through APMC's to sell their Produce. These APMC's are organised at Local Levels and managed by people who are politically backed. Studies have shown that 70 – 80% of the Farmers sell their Produce at Local Level at throw away prices as they lack holding Capacity, Negotiating Powers, Lack of Information as well as Perishable Nature of Produce like Vegetable & Fruits. Although Government declared Minimum Support Price (MSP) for 20+ Commodities, Government only Buys Wheat & Rice and Other Commodities trade below MSP in Market.
- Commission charged by Middlemen is exorbitant. It is a known fact that the Price what Farmers get for Fruits & Vegetables is 1/3rd to 1/4th of the Price which Consumers pay for. e.g. As per Casual Conversation with one of the Farmer few Months ago in Lasalgaon (Near Nashik, Maharashtra), Onion were trading at Rs. 6-7 / Kg at local level whereas Price what is being charged to Final Consumer in a City like Mumbai was in the range of Rs. 20/ Kg. Neither Consumer nor Farmer is benefitted, and the Middlemen / Traders make a merry out of the whole Process.
 - i. Farmers complain of low farm harvest prices; Consumers complain of high retail prices and both groups suffer from large price spread between "Farm to Fork".
 - ii. Consumer favoured Trade Policies where there is a possibility of prices to rise which can benefit Farmers, the Government imposes Trading and Hoarding restrictions along with Import

⊙ High Dependence on Farm Income

- As already highlighted, around half of the Country's Total labour Force is engaged in Agriculture & Allied activities. Unlike other Countries where, Agri Jobs were replaced by Non Agri Jobs as the Economic Development takes place, the pace of moving from Agri to Non Agri Jobs was at a lower rate in India due to lesser creation of Non Agri Jobs along with Insufficient Skill Development & Lower Level of Higher Education in Rural Areas. (less than 5% of Rural Male Population having completed till Graduation)

⊙ Lower Investment from Private Sector

- Investments to GDP ratio in agriculture at Approx. 13% is very low. Regulatory restrictions on Marketing and absence of business-friendly environment acts as a deterrent for corporate investments.

⊙ Irrigation

Still today, Indian Agriculture is heavily dependent upon vagaries of Monsoon as nearly half of the Farmlands are not irrigated. Agriculture Production is widely fluctuated depending upon whether Monsoon is good or bad.

III. Way Forward

By undertaking the Measures to address issues and Challenges mentioned earlier, there is a scope to increase Farmer's income and double it in near future.

- ⊙ Introduction of 3 Farm Bills by the Current Government is the step in the correct direction. Although there is a big hue & cry by Opposition while these Bills were introduced, if these bills are implemented in its True Spirit, it will help in solving major Problems related to Farmer's.

➤ Bill on Agri Market

(Farmer's Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020):

Currently Agriculture is in the Scope of States. APMC Act was passed in 2003. However, implementation of the same at various States level was patchy and did not brought the desired results. Current Act will give Power to Central Government to empower Farmers to sell Agri Produce outside APMC's. This will help in creating Competition for APMC's as Private Players / Manufacturer's like ITC, Kissan would be able to get the Produce directly from Farmers / Farmer's Produce Organisations (FPO's) thereby discovery of better Prices, elimination of Middlemen Commissions, Mandi Charges etc.

- ▲ Strong Opposition by Northern States like Punjab as they will lose high amount of Fees being charged by State Government while Commodities are being sold through APMC's.

➤ Bill related to Commodities

(The Essential Commodities (Amendment) Bill, 2020:

This Act was passed somewhere in 1950's at the time when there was a Shortage of Food Produce in India and Country had to revert to Import to secure Food Security. However, over a period of Last 60- 70 Years, as Growth of Food Production has surpassed the Population Growth, India has turned as a Net Exporter (5% of Total Agriculture GDP in 2018-19) as compared to earlier position of Net Importer. To ensure Food Security, Essential Commodities Act keeps restrictions on Quantity of Agricultural Commodities that can be stored by Traders. Due to the uncertainty towards storage of Commodities, Bigger Warehouses Storages / Cold Storages have not

been developed by the Private Sector. After Modification of the Act, Situation will change, and we can see large investment being attracted towards Storage Facility. This will also help in arresting the Fluctuations in Commodity Prices (Rock Bottom Price during Harvest Season & Spike in Price in Lean Season) as Commodities will be available throughout the Year. Storage Facility will also help in arresting Wastages which are currently in excess of 5% of Total Produce.

➤ Bill on Contract Farming

The Farmer (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020:

At the beginning of the Season, Farmers decide the Crop to be sown based upon Crop which got the better prices in Last Season. e.g. If onion gets good price last season, everybody is after onion and next season prices drop sharply due to higher Production of Onion. In the event of Farmers are not able to get the Price lesser than Cost of Production along with an earlier burden of Loan results in many farmers committing Suicide. Farmers / FPO's will be able to directly enter into an Agreement with Manufacture's / Agri Producer's thereby ensuring the Confirmed Demand for their Produce and locking the Price which they will get.

Linkage of Farmers and Private Companies will help in creation of Non Agri Jobs with these Companies

⊙ Diversion of Labour from Agri Job to Non Agri Job

- Creating of Jobs in Manufacturing has become a challenge especially due to Automation and Robotics Processes being implemented.
- Government can create and/or Support in creating Agri Infra, Distribution and Logistics related Chains to creating Jobs
- Initiatives like Skill Development make in India / Atmanirbhar Bharat may also help in Non-Agri Job Creation.

⊙ E-NAM

- Since 2016, Government has started Electronic Portal called "e-NAM" for better Price realisation by connecting Mandi's across the Country. However, as on Date less than 10% of Mandis are interconnected. Also, Success of e-NAM is limited due to issues associated with it. If Government can work closely to address this issue, this Initiative can gather Success.

Focus on Livestock Productivity

- Livestock constitute more than 15% of Agri Income. Focus should be on Improving Productivity of Low Producing Animals (Average Annual Milk Yield of Indian Cattle is 50% of Global Average)

Irrigation

- Pradhan Mantri Krishi Sinchan Yojana & Interlinking of Rivers should be given Priority
- India use 2-3 times the water used to produce 1 tonne of food in major agricultural countries. Efficiency of water usage should be developed through Technologies like Drip, Sprinkler etc.
- Today Farmers need better irrigation facilities than Populist Measures like Fertiliser Subsidy, Food Subsidy and Loan Waivers!

Focus on R&D

- Less than 1% of the Agricultural GDP in India is spent on R&D. As per Experts, there is a Poor Connect between “Lab to Land”. Upgrading farming to high-tech using Green House Cultivation, Poly houses, Precision Farming etc. will reduce average cost & raise farmers income.
- As suggested by some of the Experts, A complete overhaul of education in Agri Universities and research in scientific institutions can help

IV. Conclusion

Doubling of Farmer’s Income in Real Terms (Net of Inflation) in 7 Years i.e. from 2015-16 to 2022-23 calls for a growth of 10% p.a. More than 4 Years have been passed from the announcement of Government. Accordingly, we should have crossed the 50% of the Target. However, various Data points are suggesting that Farmer’s income has not increased by more than 3-4% on Yearly basis. Additional Support of Rs. 6000 Per Year has been given to Small & Marginal Farmers from Current Year which may accounts for 5-6% of their Income. No Prices for guessing that in all probabilities Government will not be able to meet the Target as Major Initiatives, Amendments & Introduction of Various Acts are still in Pipeline to bring out improvements in Productivity, irrigation, Infrastructure and better Price Realisation.

Better Price Realisation through APMC Act has the Potential to increase Farmer’s Income by 50% if the same is implemented well. Steps taken by Government in recent times seem to be in right direction and may have significant impact on improving Farmer’s Income! **IMA**

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AGRICULTURAL TRANSFORMATION TO BRING THE SDGs TO FRUITION



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Abstract

Surmounting the unparalleled and complex challenges that the entire planet faces demands transformative action and measures, encompassing the principles of sustainable development that leave no one behind. Looking forward, the route to inclusive prosperity and well-being of the people is clearly marked by the aspirational goals set by the UN member states in the 2030 Agenda for Sustainable Development. Agriculture, being a prime linkage between the planet and people, can play a big part in addressing the future needs of the world along with the sustainable management of natural resources. Therefore, the paper focuses on the transformation of the agricultural sector to achieve sustainable development goals by making the agricultural system more efficient, productive, and resilient in a socially-responsible, economically-feasible, and environmentally-sustainable manner.

Introduction

Our planet is facing multiple unprecedented and intricate challenges during this century. The 2030 Agenda for Sustainable Development adopted by the United Nations (UN) member states in 2015 provides a global commitment to act together to overcome these challenges and transform the earth into a sustainable pathway for the current and future generations. It encompasses 17 Sustainable Development Goals (SDGs) which integrates social, economic, and environmental dimensions with closely interwoven 169 targets to shift the planet onto a resilient and sustainable course to transform the standard of living along with restoring and managing the natural resources sustainably. The adoption of these comprehensive

and people-centric sets of 17 transformative and universal goals to achieve sustainable development in broad-spectrum has resulted in wide recognition of the growing significance of the agricultural sector in socio-economic development. At present, the agricultural sector is the world's leading employer and the main provider for food and nutrition to all and livelihood security to about 40% of the population. Hence, this sector is well-placed to contribute to achieving the SDGs.

In developing economies like India, the agricultural sector plays a pivotal role. Nearly half of the Indian workforce is engaged in agricultural activities which contribute to around 15-16% of Indian GDP. Agenda 2030 recognizes that no longer we can consider livelihoods, food, and management of natural resources

individually. A holistic approach is required to fulfill the global vision of sustainable development for the planet, people, and long-term prosperity. The agricultural sector is definitely the main focus of SDG-2, which is destined to 'end hunger' but it has the potential to address issues relating to alleviating poverty, combating climate change, water and energy use, responsible consumption, and production, among others. Better than any other sector, the agricultural sector is the connecting thread that holds all the SDGs together. According to the Food and Agriculture Organization (FAO) of the UN, "food and agriculture lie at the heart of the 2030 Agenda for Sustainable Development." The linkage between the SDGs and the food and agricultural sector is diagrammatically depicted in Table-1 below.

Table-1-SDGs and their linkage with the food and agricultural sector.

Goals	Linkage of SDGs with food and agricultural sector
1. No poverty	Around 80% of poor people reside in rural areas.
2. Zero Hunger	Food is produced for everyone, yet around 800 million people remain hungry.
3. Good health and well-being	Nutrition is essential for good health.
4. Quality education	Nutritious food is critical to learning.
5. Gender Equality	About half of the world's food is produced by women but they do not have much access to land and resources.
6. Clean water and sanitation	The water scarcity problem can be addressed through sustainable agriculture.
7. Affordable and clean energy	Modern food systems highly rely on fossil fuels.
8. Decent work and economic growth	Growth in agricultural activities can reduce poverty by half in low-income economies.
9. Industry, innovation, and infrastructure	In developing countries, agriculture accounts for one-fourth of the GDP
10. Reduced inequality	Through land reforms, there can be fairer access to rural land.
11. Sustainable cities and communities	Unmanageable urbanization can be deterred through rural investments.
12. Responsible consumption and production	Around one-third of the food produced is wasted or lost.
13. Climate action	Agriculture has the potential to respond to climate change.
14. Life below water	Around 20% of animal protein is given by fishes daily to about 3 billion people.
15. Life on land	Forests are the home for around 80% of the terrestrial biodiversity of the world.
16. Peace, justice and strong institutions	Ending hunger can significantly contribute to world peace and stability.
17. Partnerships for the goals	Partnerships help in raising the voice of the hungry.

Source: *Food and Agriculture - Key to achieving the 2030 Agenda for Sustainable Development*, FAO, 2016.

The challenges faced by the world in terms of population growth, deforestation, climate change, global warming, etc. have enhanced the need for sustainable development globally. Food and agriculture, being the main connection between the planet

and people, can aid in achieving several SDGs. However, the pathway of linkage between agriculture and SDGs can be either direct (like for SDG-2) or indirect (for other goals). Achieving SDGs demands transformation towards sustainable agricultural activities, reinforcing sustainable management, and utilization of the prevailing agricultural system to preserve the ecosystem and sustain food production. How the agricultural sector can be transformed to achieve SDGs has been portrayed in this research article.

SDG-1-No Poverty:

There has been a sharp fall in the contribution of the agricultural sector to India's GDP. From around 51.9% in 1950, it stands around 15.96% in 2019. Also, the employment level has decreased from around 69.4% of the total workforce in 1950 to about 42.39% in 2019. Agriculture is the main source of livelihood for the rural and poor population. So, the growth and development of this sector is key to achieving this goal. A study by Thirtle et al. (2003) based on Asia shows a reduction of 0.48% in poverty with 1% rise in agricultural productivity. As per the proceedings of the National Conference on SDGs organized by Trust for Advancement of Agricultural Sciences, Indian Council of Agricultural Research and International Food Policy Research Institute, the prime factors responsible for the decline in poverty during the period 2005 to 2012 are economic growth rate of around 7-8% p.a., agricultural growth rate of about 4% p.a., rise in rural and agricultural real wages, rise in rural non-farm employment level, and introduction of various social security programs like MGNREGA, etc. Hence, improving agricultural productivity is key to alleviating poverty and transforming the livelihoods of the rural population across the globe.

The main cause of low productivity is fragmented or small holdings of land, lack of proper irrigation, marketing and credit facilities, poor infrastructure, etc. To enhance productivity, farmers, especially the smallholders, should have access to

affordable high-yield variety seeds, modern planting materials, and agro-technology. There is a need to enhance the quality of farmers through technical education, improving farm organization, water and land management, adopting scientific crop rotation, organic farming, and expansion of institutional credit facilities to farmers. For instance, in Sub-Saharan Africa, a farmer training program 'Good Agricultural Practices' and skill and entrepreneurship development program 'Farmer Business School Training' has resulted in a 185% increase in crop yields and 626% in incomes.

The focus should also be given on pricing issues and agro-marketing. Price monitoring should be undertaken and frequent forecasting of the main agricultural commodities for timely trade-related decisions. The government should guarantee the minimum price of the agro-products, strengthen and widen market infrastructure to aid the farmers to sell their commodities at better prices, promote cooperative approaches to marketing especially for smallholders and eliminate market distortions to amplify opportunities for every layer of the agricultural system nation-wide. Development of basic rural infrastructure like transportation, market, storage capacity, communication, etc. is vital to provide rural farmers with better access to land, agricultural inputs, services, resources, technologies, tools, finance, and ensure availability of supplies to farmers. Additionally, diversifying production such as integrated crop-livestock, crop-aquaculture and agroforestry methods can enhance productivity along with ensuring incomes during extreme climate and lean season.

SDG-2-Zero Hunger:

The agricultural sector is uniquely placed to reduce both hunger and poverty. Accomplishing goal-1 will also help to achieve goal-2 since alleviating poverty is a way to end hunger. There is sufficient food on the planet for everyone, yet around 800 million people remain hungry. As per the State of Food Security and

Nutrition in the world, 2020 report of FAO, around 14% of the total population in India is undernourished. Abraham and Pingali (2020)'s study reveals that an increase in agricultural growth and decrease in hunger are correlated. Combatting malnutrition and hunger is not just about augmenting the production of food, but also to enhance the quality and nutrient content of the food, boost incomes, develop resilient food system and reinforce agro-markets to ensure that people can get access to safe, healthy and nutritious food. A blend of social protection measures like cash transfer, healthcare, providing income security, etc. and targeted smallholders and pro-poor investments in constructive activities will help to eliminate hunger and poverty by providing better nutrition, food, healthcare, decent employment, and education.

There is a need to boost physical and economic access to varied, nutrient-rich, and healthy food by way of nutrition-sensitive agriculture and food processing, nutrition-driven technology, horticulture crops having nutritional value, and bio-fortification to make agriculture more sustainable and food more diverse, nutritious and accessible. It is essential to leverage existing programs like Rashtriya Krishi Vikas Yojana, National Rural Livelihoods Mission, etc. and women empowerment in agriculture through providing them with land and property rights, forming self-help group, women's cooperatives for enhancing convergence of nutrition, agriculture, health, and other social initiatives. In the poor and middle-income countries, around 20-40% of crop production is lost due to climate conditions, insufficient pre-and post-harvest facilities, and market variation. Therefore, it is important to build adequate local storage facilities for food preservation including warehouses, cold chain storage, etc. and provide farmers with risk management tools to help in managing climate and market variations.

SDG-3-Good Health and Well-being:

According to the estimates of

FAO, around 20% and 34.7% of the children under 5 years of age are underweight and stunted respectively and about 51.4% of women between 15 to 49 years of age are anemic. Transforming agriculture through developing a resilient food system, adopting social protection measures, etc. to provide people with better access to nutritious food, healthcare, decent employment, etc. will not only help to achieve goal-2 but also goal-3 since nutritious food is vital for being in good health. Abraham and Pingali (2020)'s research delineates that sustainable agricultural development using policies and measures targeting small farmers has brought about greater affordability to food which has ultimately declined stunting and wasting in Asia. Adequate measures should be taken by the government to promote a nutritious and healthy diet through diversification of crop cultivation, nutrient-rich food and agricultural system, nutritious school feeding programs, sustainable agriculture, crop cultivation having nutritional and medicinal value, and probing the potential of underutilized animal breeds and food crops which can also play a vital role in improving nutritional and health state of both rural and urban people.

SDG-4-Quality Education:

To ensure quality education, the focus should not only be on formal education but also on technical education, skill development, building capacities, and sharing knowledge. However, the National Education Policy 2020 has considered vocational education along with formal education to impart vocational training both in urban and rural areas. As per the new policy, in all the educational institutions, vocational education programs will be incorporated into mainstream education in a phased manner.

Agricultural extension services help the farmers and rural people to upgrade their skills and knowledge that they need to thrive. The government along with other profit and non-profit making organizations in the private and public sector should render such services to impart knowledge to the rural

population. Knowledge-sharing in rural areas should emphasize building capacities supported by bringing together farmers' knowledge through farmer field school to improve skill, encourage agronomic agricultural methods and techniques and reinforce the awareness and understanding of the prospects for employment in rural areas. Also, it is essential to provide rural youth and women with education and training on sustainable and socioeconomic entrepreneurship encompassing skill development and linking agriculture to services and industries.

SDG-5-Gender Equality:

Rural women make an important contribution to agriculture which remains under-recognized. According to the Oxford Committee for Famine Relief 2018, around 80% of economically active women are employed in the agricultural sector in India, comprising about 33% of agricultural workforce and about 48% of self-employed farmers. Regardless of their high level of participation in agricultural activities, most of the women have limited decision-making power and access to land. Global Agriculture and Food Security Program indicates that the productivity rate of women farmers is 25-30% less than the men farmers, mainly because of differences in the use of resources, limited land tenure rights, and inadequate access to farm equipment, inputs, and information. Bridging this gap by providing women farmers with adequate farm resources and information will increase overall productivity leading to around 12-17% decline in the number of people going hungry. So, it is important to encourage women's participation, decision-making, and leadership in self-help groups and farmers' organizations, ensuring equitable access to land, other natural resources, financial resources, agricultural-based productive assets, cash-for-work employment and training opportunities for women. Agro-technology, agricultural extension, and other interventions should be made more gender-sensitive and women's awareness should be raised

regarding food preparation, improved nutrition, and feeding practices.

SDG-6-Clean Water and Sanitation:

Agriculture has a high role to play in the sustainable management of water since around 80% of freshwater consumption in India is for agricultural purposes. If the current pattern of consumption continues, then by 2025, about two-thirds of the global population might be living in water-stressed areas (FAO, 2018). Hence, it is critical to building up a water-secure world. As a part of the sustainable water management program for the agricultural sector, targeted investments in water might have considerable implications on water sustainability. Also, cross-sector water cooperation at every stage should be promoted as a comprehensive process involving all stakeholders. Sustainable investment in irrigation is essential to minimize water wastage. Drip irrigation is an efficient method to water the crops with minimum wastage. Organic farming can also curtail down water usage. The use of mobile apps to assist the farmers in irrigation management is increasing in certain countries. For example, the FieldNet Mobile app developed by US and Canada, allows its users to monitor and control irrigation equipment from smartphones, tablets, and computers. Also, water can be conserved through rainwater harvesting by watershed development which can be used for farming. Field-based water management techniques like contour cultivation, field bunds, broadbed-and-furrow, conservation agriculture, and vegetative bunds can be used. To enhance water efficiency and management in agriculture, there is a need for capacity development at every level. The sustainable agricultural system with improved knowledge, innovation, research, and implementation towards sustainable management and use of water is required to meet the growing food demand.

SDG-7-Affordable and Clean Energy:

Energy is essential for agricultural

activities like irrigation, tillage, transportation, fertilizer production, mechanization, food processing, and storage. The use of fossil fuel inputs in the agricultural and food industry accounts for around 7-8% of greenhouse gas (GHG) emissions globally. (FAO and United States Agency for International Development, 2015). Access to affordable, adequate, and clean energy is vital to reduce dependency on fossil fuels in agriculture. The use of biofuels and improved technology for the utilization of bioenergy can contribute towards ensuring clean energy and improving rural livelihoods. Biogas can be produced from organic wastes that remain on the farm or at processing units. Food crops can be diverted to produce renewable energy, most notably, corn is being utilized by many farmers to make ethanol which is used as fuel. The farmers can install wind turbines to use the wind blowing over their farms to generate electricity which can be used for irrigation and other purposes. Use of solar and wind energy for generating electricity should be promoted in the agricultural areas where good solar and wind energy exists. To trim down fertilizer use, nitrogen-fixing legumes can be grown as green crops and organic manures can be used. To retain soil content and reduce mechanical disturbances, cover crop or crop rotation along with diversifying crop species should be practiced. The use of clean and sustainable energy efficiently with low-carbon energy techniques to meet the growing energy need should be promoted to accomplish this goal.

SDG-8-Decent Work and Economic Growth:

Agriculture is the driver for sustainable economic and pro-poor growth. In most developing and under-developed countries, the majority of people live in rural areas. Also, the lion's share of the world's poor lives in rural regions and is dependent on agriculture. In India, the rural population accounts for around 65.53% of the total population in 2019 (World Bank data). Therefore, promoting the development of rural areas and ensuring decent employment

for the rural population will pave the way for sustainable economic and pro-poor growth. The focus should be given on agricultural and labor productivity which will help to reduce poverty by raising incomes, creating rural employment, and augmenting the export of agricultural products since this sector is less import-intensive and more labor-intensive than other sectors.

It is pivotal to build proper infrastructure to facilitate the farmers, especially smallholders get better access to the market to sell their products at fair prices and also export their products. Entrepreneurship needs to be promoted across the agricultural and food sector that will generate employment and growth. Investments in agricultural research and development (R&D) can be encouraged to breed nutrient-rich and high-yield crop varieties, bio-fortified crops, support technology for agricultural diversification and promote skill and human capital development to enhance agricultural productivity and create employment. There is a need to build an institutional framework and reinforce links between informal food and agricultural sector with the rest of the economy to aid integrate informal players and enterprises to enhance productivity and wages. Also, investment in social protection measures, specifically, if combined with targeted agricultural and pro-poor interventions, will have a sweeping impact on poverty reduction, building resilient livelihoods, and economic growth.

SDG-9-Industry, Innovation and Infrastructure:

Innovation can be regarded as one of the driving forces behind agriculture and rural transformation. In developing countries, agriculture contributes to around one-fourth of the GDP, therefore government and other organizations should embrace modern technologies to build resilient agricultural infrastructure and foster innovation in this field. Besides technologies and practices which include hybrid crop varieties, biotechnology, agroecological farming, etc., innovation also relates

to the forms of organizations like private-public partnerships, farmers' cooperatives, etc. The government should encourage innovation and investment in the agricultural domain to benefit the farmers, especially the smallholders by considering issues relating to upgrading rural infrastructure to improve access to resources, technologies, finance, modern tools, and equipment, boost sustainability and resilience, create new market opportunities, reduce risks, raise income and promote diversification. Investments should be increased in agricultural R&D, advisory services, and extensions along with capacity development to augment the agricultural innovation system and infrastructure of the nation with improved, innovative and technological processes, products, and practices. Also, better provision of knowledge, skill, and information is essential to facilitate their use. The existing capacities and resources within the private and public sectors need to be integrated to develop simple, useful, and practical solutions and make products and services available to the rural population, or else it might be unaffordable for them.

SDG-10-Reduce Inequalities:

The people living in rural areas are amongst the most marginalized section in society. They have limited organizational capacity, restricted bargaining power, and lack of access to information, knowledge, and resources which usually leave them unprepared or ill-equipped and are not able to benefit from scope and opportunities resulting from agricultural and rural transformation. Being the natural resource managers and food producers of the nation, it is vital to reward their hardwork as part of resilient and sustainable food and agricultural system through addressing inequality issues. Investments and policies aimed at providing equitable access to resources, community participation, and decision making of smallholder farmers and other marginalized groups can develop the condition for inclusive and equitable national growth. Specific interventions are required targeting vulnerable groups, people living in

remote areas including refugees, indigenous people, and migrants who are often underprivileged along with supporting the participation of smallholder farmers in producer organizations, networks, and cooperatives to aid them to gain better access to knowledge and resources, establish small enterprises, enhance participation in community decision-making, and work their way out of the state of poverty and deprivation. The emancipation of these marginalized groups is critical to boost agricultural productivity, achieve sustained and equitable economic growth, and minimize regional inequalities.

SDG-11-Sustainable Cities and Communities:

In developing countries, unstructured and unmanageable urbanization mainly occurs due to migration of the rural people to urban areas in the hope of getting better employment opportunities and improving the standard of living. Rural and agricultural development can address the issues that compel rural people to migrate by developing rural and agricultural infrastructure that will create employment and entrepreneurial opportunities for the rural youth which will go beyond farming, like small poultry or dairy production, horticulture enterprises, food processing, etc. Directing required resources to the agricultural and rural sectors resulting in more resilient livelihoods, increased food security, better access to required facilities, and social protection will ultimately reduce rural to urban migration.

SDG-12-Responsible Consumption and Production:

As per the estimates of the UN, in India, nearly 40% of the food produced is wasted or lost by diverse modes starting right from harvesting, processing, transportation, packaging, and consumption. All the players in the food chain, from farmers to consumers, can contribute to reducing losses and promoting sustainable production and consumption patterns. Incentives should be taken to increase awareness among the farmers about the

social and environmental implications while making decisions to make the production system more resilient and sustainable. Post-harvest activities can be improved by sharing knowledge, information, and technologies which will also enhance farmers' incomes, reduce wastages, and boost the efficiency of the food system. Policy decisions can play an important role in combating food loss and encouraging sustainable production and consumption through interventions to cut down overproduction and impart nutrition education among people especially rural people to make a shift towards safe and nutritious diets with lower energy use and environmental footprint. Greater commitments towards developing a circular economy in the agricultural system by recycling and reusing residues and wastages through composting, etc. to ensure that materials and products are regenerated and recycled in production lines can promote the transition towards sustainable production.

SDG-13-Climate Action:

Agriculture is a climate-sensitive segment, being both a contributor to global climate change through GHG emissions and highly susceptible to its consequences. Climate changes including rising temperatures, droughts, changing rainfall patterns, and floods are increasingly threatening the production of crops, fisheries, and livestock, thus driving the rural population deeper into poverty. According to the Organisation for Economic Cooperation and Development meeting of agricultural ministers, 2016, around 17% of GHG emissions are from agricultural activities. Therefore, the agricultural sector has a major role to play in combating climate change through adopting climate-smart and sustainable agricultural practices that strengthen farmers' resilience, enhance or maintain productivity, and decrease climate footprint. There is a need for promoting organic farming to reduce the use of chemical fertilizers, production of biomass, solar and wind energy as a substitute for fossil fuels, investment in agricultural R&D to spur innovation that will enhance

sustainable productivity growth, and use of innovative and sustainable agronomic techniques coupled with climate risk management agro-technologies to lessen carbon emissions and improve climate resilience. Adopting conservation techniques such as direct-seeded rice, laser land leveling, zero tillage, etc. also have the potential to reduce the emission of GHGs and increase carbon sequestration.

The government should encourage private sector innovation and public-private partnerships for agricultural R&D, provide financial incentives targeting sustainable performance and ensure dissemination of up-to-date and relevant information pertaining to resource use efficiency, sustainable practices, and risk management. Policies that are intended to address the issue of climate change must emphasize knowledge sharing systems and outcome or productivity-based farmer incentives that enhance the capacity of farmers to achieve sustainable agricultural and productivity growth by way of adaptive and mitigating practices to fight against climate change.

SDG-14-Life below Water:

The pressure of agricultural activities on water quality arises from farming, livestock, and aquaculture. Agricultural runoff discharges huge amounts of chemical fertilizers, saline drainage, etc. into water bodies that cause harm to marine life. Excess nutrients enhance the growth of algae in the marine environment leading to eutrophication. According to research by Stanford University scientists, large-scale farming in coastal regions leads to massive algae blooms in seawater. So, it is essential to reduce the use of chemical fertilizers by shifting towards organic farming, planting legumes (like peas, beans, lentils, etc.) between crops that help to convert nitrogen from air to the form usable by plants and recycling of animal and farm residues. Field buffers can be planted to prevent nutrient loss. Planting cover crops on bare grounds can reduce surface runoff. Leadership role can be played by the farmers through collaborating with a

wide range of stakeholders including state governments, non-profit and farm organizations, etc. across the entire watershed to minimize nutrient pollution to water bodies.

There is a need to promote aquaculture in a socially and environmentally responsible manner to fulfill the increasing need for nutritious and safe food. Effective regulation is required on stopping overfishing, illegal fishing, and unmanaged aquaculture augmentation. Marine ecosystems need to be sustainably managed to ensure sustainable aquaculture.

SDG-15-Life on Land:

At present, the key challenge is how to enhance agricultural productivity to address the increasing demand for food and bioenergy while sustainably managing and conserving biodiversity and decreasing the pressure on the terrestrial ecosystem and natural resources. Although, sometimes it is perceived that forestry and agriculture are conflicting land uses but properly managed forests have high potential to contribute to food security as they play an important role in water cycles, climate regulation, pollination, soil fertility, natural pest control and resilience to environmental changes. Hence, there is a need to enhance agricultural yield to feed the increasing population without bringing more forest land under agriculture. So, efforts should be given in enhancing crop productivity by using high-yield variety seeds, crop rotation, agro-technology, organic farming, etc. to reduce deforestation. Other practices like contour plowing, use of trees as shelterbelts, environment-friendly energy use, incorporating land management, and switching over to more sustainable farming methods will reduce harmful effects on natural resources.

Land degradation can be controlled through developing and timely monitoring of the Land Resource Inventory that will help in carrying out situation-specific interventions for land-use planning and management scientifically. Protocols should be developed for the non-destructive process and techniques of soil analysis.

Soil Health Card program initiated by the government in 2015 to educate the farmers about the judicious use and application of fertilizers should be effectively implemented by testing the soil of individual plots through sensor-based technology. The 'Umbrella Program on Natural Resource Management' launched by NABARD should be popularized among the farmers. Integrating farming with other elements such as agroforestry, tree-crop-livestock, mixed cropping, etc. will make agricultural systems more resilient and improve ecosystem services.

SDG-16-Peace, Justice, and Strong Institutions:

The development of the agricultural sector can significantly contribute to peace by increasing employment and incomes, thereby decreasing social frustrations that lie at the root of violence and crime. Also, growth in the agricultural sector will generate more revenues for the government, which can be used for redressing grievances and problems of the disadvantaged populations. Strong institutions and social infrastructure can also be developed in rural areas to redress the grievances and complaints of the rural farmers that will help in peace-building in these areas.

SDG-17-Partnerships for the Goals:

Transforming agriculture will require extensive coordination and building partnerships among the stakeholders in the food and agricultural system, in addition to international collaboration for recognizing multiple ways so that the agricultural sector can efficiently contribute to social, economic, and environmental development. For instance, in 19 countries in Latin America, Asia, and Africa, partnerships supported by the New Vision for Agricultural Initiative of the World Economic Forum have benefitted around 9.6 million farmers (www2.deloitte.com). It is crucial to building strategic and robust partnerships between the state and non-state players to mobilize resources and investments in the agricultural

sector. There is a need to involve with entrepreneurs and harness the potentiality and opportunities of the private sector, which includes farmer cooperatives, organizations, medium and small-sized enterprises along with international corporations. Partnerships and collaboration are especially relevant in agricultural value chains and logistics, where governments, producers, private actors, and international organizations can work cooperatively towards sustainable agricultural development.

Conclusion

The SDGs as specified in the 2030 Agenda for Sustainable Development aims at protecting the planet, ending poverty and hunger, sustainably managing natural resources, building global partnerships, reducing inequality, and ensuring prosperity and well-being for the global population by 2030. The agricultural sector, being at the crux of this agenda, can take an active role in achieving the SDGs. Transforming agricultural systems should take into account a holistic approach to consider the environmental, social, and economic aspects of sustainable development. However, successful agricultural transformation requires measuring progress and monitoring targets that offer valuable information regarding the areas and groups of people that need to be focused on. Sustainable agricultural development has high potential to manage natural resources sustainably, revitalize rural landscape, bring inclusive growth, and induce favorable changes across the 2030 Agenda. **IMA**

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Research Bulletin, Vol. 46 No. III October 2020 (ISSN 2230 9241)

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AN ENQUIRY INTO THE ROLE OF MARKET INTERMEDIARIES IN INDIA'S ONION CRISIS



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Abstract

This paper assesses the extent to which market intermediaries have been responsible for the crisis that onion markets have witnessed in the past few years. The paper found that commission agents and wholesalers frequently indulge in price manipulation to purchase onions at pre-decided prices instead of at auction prices. Big traders attempt to prevent entry of new traders in the market by utilising their market dominance, in order to limit market competition. Traders may also have resorted to hoarding of onions to take advantage of its price rise. This led to an artificial shortage of onions in the retail markets. Imposing of high margins by retailers also has caused sudden spikes in onion prices in retail markets.

INTRODUCTION

In the last couple of years, onion prices have seen wide fluctuations. Onions are staple ingredient of Indian cooking. Rise in its prices causes distress to large sections of the population, especially the poor. This makes onion a “politically sensitive crop”(Chengappa et al(2012)Pg58). Apparently, unseasonal rains had curtailed supplies leading to a price rise. However, media reports have alleged that the shortage was artificial, as wholesalers had hoarded large stocks of onion. Academic papers that analysed patterns of onion arrivals in wholesale markets and onion prices (wholesale and retail) have made similar observations.

Onion farmers seldom benefit from an increase in its retail prices. Intermediaries (or middlemen) in the onion supply chain leverage their superior access to information or material resources and collude among themselves to prevent farmers of realising the best possible price for selling their harvest. By exploiting imperfections already existing in the regulated wholesale markets and by utilising their connections with market officials,intermediaries are sometime able to attain monopoly

powers in these markets. As intermediaries continue pursuing policies for strengthening their stranglehold on the markets, farmers are made increasingly vulnerable. On the other hand, hoarding of onions by wholesalers and imposing of high mark-ups by the retailers increases its retail prices. This lands consumers are in extreme hardship.

This paper analyses the role played by commission agents, wholesalers and retailers in deepening the onion crisis by depriving farmers of a fair price for selling onions; and also by making onions exorbitantly expensive for consumers.

OBJECTIVES

This paper has the following aims:

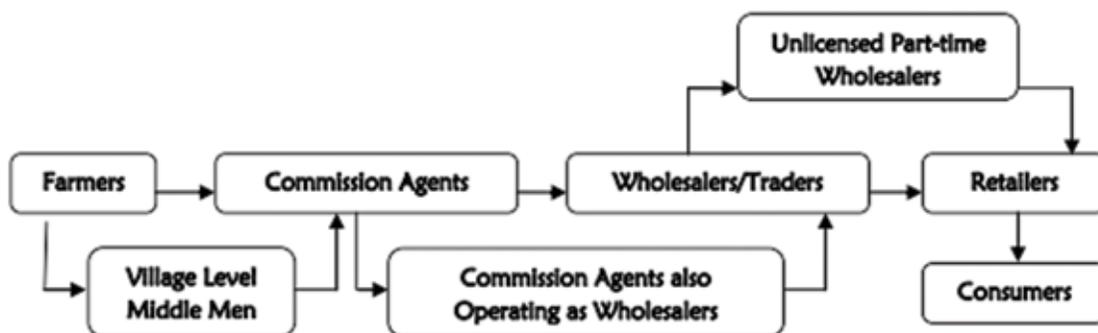
- i. To explore how intermediaries in the onion supply chain exploit market inefficiencies for establishing their dominance oversale of onion in the regulated wholesale markets
- ii. To assess how actions of intermediaries leads to the marginalisation of the farmers and an exorbitant rise in retail prices of onions

MARKET INTERMEDIARIES AND THE ONION CRISIS

Onions are marketed largely through regulated markets or *mandis* (Kumar(2016)). These markets were established in various states under the Agricultural Produce Marketing Committee (APMC) Act which aimed to regulate the marketing of agricultural products. In Maharashtra and Karnataka – two of India’s largest onion growing states, most farmers have sold their harvest at the regulated markets. Majority of onion growers are small and marginal farmers with meagre land holdings (Chengappa et al(2012),Pg27). Due to low productivity of onions in India (Setiya and Muthuselvan(2018)Pg12), the output per farmer is quite low. Also, there is risk of decay and sprouting of onions, as farmers cannot afford the expenses for cold storage. By selling their produce at the APMC markets, farmers benefit from swift disposal of the harvest, possibility of getting better prices compared to local markets and prompt cash payment.

When onions are marketed through regulated markets, the marketing channel comprises of series of intermediaries (or middlemen) in the form of commission agents, wholesalers/traders and retailers.

Marketing channel for onion



Source: Chengappa et al(2012),Pg37

Often, intermediaries are able to attain a dominant position in the regulated markets by exploiting market inefficiencies and by leveraging various advantages that they have relative to the farmers. Inefficiencies in the APMC markets along with collusion among the traders

and market players drives down the price that a farmer gets for selling his harvest at these markets (Banerji and Meenakshi(2002)).The APMC markets for wholesale onion trade at Lasalgaon, Pimplagaon and Nashikare found to suffer from inefficiencies, low competitiveness and are

vulnerable to price manipulations. Here licensed traders collude among themselves to dominate the auction process. Thus, they are able to dictate terms, reducing the farmers to only spectators in the process of determining the purchase prices (Setiya and Muthuselvan(2018)).

The dominance that intermediaries have over the onion markets stems from their (i) superior information and support networks, (ii) connections with market officials, (iii) greater financial resources, (iv) access to onion storage and grading facilities and their (v) ability to successfully exploit the market imperfections and infrastructural loopholes to their advantage.

Commission agents and wholesalers are well connected among themselves not only in the market where they operate, but also with their counterparts in other markets across India. These intermediary networks collaborate among themselves and readily share information on onion prices in their local markets. Thus, during the auction process, commission agents are well aware of prices from outside markets. Contrarily, onion farmers only have access to rates in their local markets. Even for that, they are dependent on commission agents, friends or other people who regularly visit these markets. Moreover, price information could be obtained only at the time of sales and not before. It was further observed that farmers lacked awareness on various APMC marketing channels or other avenues for selling onions. Also, their level of knowledge on how to realise higher proceeds from selling their harvest was “abysmally low” (Chengappa et al (2012)).

Strong interconnections between intermediaries allow them to collude among themselves in order to manipulate onion prices. Instead of arriving at the purchase price through an unbiased auction; commission agents use price information obtained through their networks in other markets to decide in advance the price at which they would buy onions in their local markets. Collusive price fixation by the intermediaries prevents farmers from securing the best possible price for their harvest through price auctions. In a particular case, auction was halted when prices reached a certain level and the produce was divided between two competing traders (Chengappa et al (2012)). There have even been allegations of “bid rigging”, “secret bidding”. Evidently,

a strong nexus thrives between the commission agents and traders. Several observations provide clues to possible presence of collusion:

- i. Many wholesalers and traders also act as commission agents. Playing multiple roles gives them very strong incentive for manipulating prices.
- ii. Local traders and commission agents, who buy onions on behalf of traders from other states, try to procure bulk deals at pre-decided prices. Commission agents try to maintain strong relationships with the traders. Not only do they attempt to purchase onions at lower rates for the traders; but they also do not insist on immediate payment. Agents even agreed to forgo a part of their commission in lieu of early payment.
- iii. In APMC markets of the onion growing belt, most agents and wholesalers have been operating uninterruptedly for an average of 15 to 20 years. Long experience working with each other has fostered mutual understanding among them on onion prices and gives them undue advantage in onion trade.
- iv. Many markets have strong trade associations. Their functioning leads to the creation of consensus among traders regarding prices.
- v. Number of active market intermediaries falls during the off season. Presence of lower number of intermediaries creates oligopolistic conditions and encourages them to discuss and manipulate prices.

Severe asymmetry in access to information places farmers at a distinct disadvantage. They are compelled to accept the APMC prices due to want of other options. Even where farmers were less dependent on commission agents for obtaining price information; they had to agree to sell onions at prices decided by the agents. The prices however, were not satisfactory for the farmers

as it was much lower than what they had expected to receive. This clearly indicates that intermediaries dictate the APMC markets due to strong intermediary networks, non-sustainability of farmer's associations, low risk bearing capacity of the farmers and their lack of access to price information or storage facilities. This leaves onion farmers with no other option but submit to the dominance of the intermediaries.

To consolidate their market dominance, intermediaries raise barriers for blocking the entry of new agents and traders in the markets. Working around APMC rules, large traders undertake diverse roles such as that of commission agents, order suppliers, forwarders cum store owners, transport/railway agent etc. Together with long years of operating in the APMC markets, this enables big traders to achieve strong hold on the functioning of these markets. By leveraging their linkages with market officials, they succeed in securing market licenses for their family members or in preventing new traders from obtaining licenses. This strengthens their monopolistic position in the market and deepens market imperfections.

Infrastructure for bulk storage, sorting and grading of onions is mostly in the hands of traders and wholesalers. Majority of their shops have trading and storage areas together with separate space for office. Traders pool onions purchased from the markets into their pack-houses and sort these into different grades as per the requirements of various buyers or regional markets. This adds value and helps traders to earn higher price.

With access to storage facilities, traders attempt to profit from onion hoarding. After purchasing onions from the APMC markets, traders stockpile it instead of selling it onwards to the retail markets. Consequently, an artificial onion shortage is created which raises prices and brings higher profits to traders. The media has blamed many episodes of onion shortages in the past decade to its hoarding. To curb hoarding, raids were conducted against onion hoarders and arrests were made Gujarat and Tamil Nadu

(IndiaTV (2014)). Analysis of onion arrival and price patterns in major onion consuming markets revealed that prices increased while supplies decreased during the third week of December. This recurrent pattern points towards retention of stocks (hoarding) by the traders (Sharma et al(2011)). Retailers too, take undue advantage of rise in wholesale onion prices (Gummagolmath(2013)). Big cities like Jaipur have witnessed high retail mark-up of 176% (December 2008), 165.59% (December 2009) and 159.29% (December 2010). Even when wholesale prices dropped retailers did not pass on the benefit to customers by reducing retail prices (Sharma et al(2011)).

CONCLUSION

Onions are said to bring tears to farmers, cheers to traders and fear to consumers. Farmers should be empowered so that they get a fair price for selling their harvest. Allowing contract farming or mandating NAFED to buy onions directly from the farmers instead of the traders have been recommended. Measures should be taken to curb the intermediaries' capability to indulge in collusive price fixation or forming monopolies by

misusing their connections.

Although hoardings difficult to prove unless traders admit it or raids are conducted and hoarded stocks are recovered, trends of onion arrival and price movement patterns clearly indicates the possibility of hoarding. Government should closely monitor onion prices so that consumers can buy onions at a reasonable price. **MA**

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AGRICULTURAL COSTING – OBJECTIVES AND SCOPE



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Abstract

Economies are globalised but agriculture is still localised. The data/information access, analysis and application needs and opportunities are to be met through Agricultural Costing. The needs and opportunities vary based on users and their purpose viz., farmers, policy planners, stakeholders associated with value chains etc. The added dimension to these is the need for protection of environment for the future generations. In this context, this paper attempts to state the Objectives and Scope for Agricultural Costing.

Preamble

The **Mission of Agriculture** can be stated as “*To meet the food and nutritional needs of global population; securing the livelihoods of millions through employment and entrepreneurship; and help achieve overall socio-economic inclusion*”.

India with nearly 140 million hectares of net sown area and enviable ranking in the production of multiple agricultural produce takes a prime position in the world of agriculture. India is the third largest producer of food grains, second largest producer of fruits and vegetables in the world. India is the largest exporter of Rice in the world, in the recent years. India is also second most populous nation in the world¹. Hence Indian farmers shoulder the responsibility of taking care of the food and nutritional needs of her population.

¹According to a newspaper report with 1.33 billion population India has already overtaken China as the most populous nation in the world.

Indian agriculture is also the largest employer. In the post COVID 19 scenario, reverse migration saw millions reaching back to their native nests and engaging with agriculture in one or the other way. Agriculture’s contribution to the nation’s GDP is reported to have grown by 3.4 percent while overall GDP is reported to shrunk by 23.9 percent during the first quarter of FY 2020-21.

On the global arena, in one sentence, the remarks of a visiting dignitary that “India can be the food factory for the world” summarises the significance of India’s agriculture and associated sectors.

Notwithstanding the strengths and its significance, agriculture is often under focus, for the challenges associated with it. Agriculture needs structured institutional engagement, investments, enabling policy and regulation; these in turn demand decision support systems backed by reliable data and monitoring mechanisms.

Agricultural economics has been contributing to the agricultural policy planning and supporting the State in the policy planning, resources allocation and others as relevant to the agriculture and allied sectors.

Agribusiness, as first used by Prof. J H Davis and Prof. Goldberg of Harvard², started as a subset of agricultural economics but gained prominence and became a stream by itself. In India agribusiness appears still in need of adequate attention and application.

Agricultural Costing along with techniques and approaches from Management Accounting can be of immense use to agriculture and agribusinesses.

In the context of the above and with the stated Mission of Agriculture, agricultural costing becomes essential, along with other domains like agricultural economics and agribusiness. This paper is to bring focus on objective and scope of agricultural costing considering the globalised economies and still localised agriculture.

Costing, Cost Accounting and Management Accounting

The ICAI definitions of Costing, Cost Accounting and Management Accounting are as under.

Costing: “The technique and process of ascertaining costs. The technique in costing consists of the body of principles and rules for ascertaining the costs of products and services. The technique is dynamic and changes with the change of time. The process of costing is the day to day routine of ascertaining costs. It is popularly known as an arithmetic process³”.

Cost Accounting: “Accounting for costs classification and analysis of expenditure as will enable the total cost of any particular unit of production to be ascertained with reasonable degree of accuracy and at the same time to disclose exactly how such total cost is constituted”. Thus, Cost Accounting is classifying, recording an appropriate allocation of expenditure for the determination of the costs of products or services, and for the presentation of suitably arranged data for the purpose of control and guidance of management⁴”.

Management Accounting: Management accounting is concerned with that accounting information, which is useful to the management. The accounting information is rearranged in such a manner and provided to the top management for effective control to achieve the goals of business. Thus, management accounting is concerned with data collection from internal and external sources, analyzing, processing, interpreting and communicating information for use, within the organization, so that management can more effectively plan, make decisions and control operations. The information to be collected and analysed has been extended to its competitors in the industry. This provides more meaningful clues for proper decision-making in the right

direction. The information in the management accounting system is used for three different purposes: Measurement; Control and Decision-making⁵

Thus, while costing is used to ascertain costs under defined classification; cost accounting takes care of accounting; both require due compliance with set principles and practices. The purpose is to know costs, total or per unit or general compilations. Such compilations may as well be to meet specific context or purpose however following given principles and framework.

With the markets becoming competitive and resources being scarce, emphasis and use of costing and techniques of Management Accounting in decision making, planning and monitoring/control has been integral to overall management. However, the application and use, as of now, appears limited within the domain of agriculture, in particular *when farmers are to be viewed as ‘agripreneurs’ and agriculture as a ‘for-profit’ economic activity.*

Agriculture

FAO definition of agriculture: “Agriculture includes farming both animals (animal husbandry) and plants (agronomy, horticulture and forestry in part). Similarly, aquaculture covers the farming of both animals (including crustaceans, finfish and molluscs) and plants (including seaweeds and freshwater macrophytes). While agriculture is predominantly based on use of freshwater, aquaculture occurs in both inland (freshwater) and coastal (brackishwater, seawater) areas.”

In general, in India agriculture is referred to plants-based cultivation while others associated with animals are referred to as allied activities. Horticulture often considered as subset of agriculture, predominantly refers to fruit and vegetable crops while certain others like plantation crops etc. also get classified under this.

Agriculture is predominantly soil based while there are also other forms like hydroponics and aeroponics. Similarly, other forms like contained agriculture basically in closed environments like shade-net based, polyhouses and poly tunnels etc. are under practice. Even among the soil based some of the emerging forms include indoor agriculture and roof-top agriculture.

Agriculture primarily relies on natural resources like land and water while land is generally inherited or acquired or on lease/tenancy; water is sourced through irrigation systems which is mostly public and supported by government. Agriculture is significantly influenced by agro-climatic conditions of the area.

Other resources used in agriculture include inputs like seeds or planting material, fertilisers (chemical, bio or organic and natural), crop protection material (pesticides and fungicides; chemical or bio or organic), finance (mostly short term crop loans but can also include medium term or long term loans for the purpose of land development or acquiring equipment or machinery etc.) and certain facilities as well as services support.

²A Concept of Agribusiness, Harvard University

³www.icmai.in

⁴www.icmai.in

⁵www.icmai.in

The facilities and services support needs include warehousing, transportation, nursery, centres for primary processes viz., ripening chambers, pack houses, drying facilities, pre-cooling chambers, cooking facilities etc. Some of the critical services required are soil testing and advisory, weather information and advisory, techno-managerial advisory throughout the crop cycle, market intelligence, market linkages and market access.

The crop cycle starts from the point of identifying the agricultural field/crop, land preparation and till the produce is harvested, taken through the post-harvest practices and sold in the market either in the raw or processed form. Some times farmers may retain some quantity of produce for their consumption or use. These are to be valued notionally and considered under agricultural costing.

Some of the inputs can be farmer's own like seeds, may be from previous crop, farm yard manure from own cattle etc. These are to be factored in as notional costs under agricultural costing.

Some of the significant contributions by the farmer and his/her household include supervision of the activities throughout the crop cycle; working as labour in their agriculture activities and such others till the produce is sold.

Agriculture can be seasonal or with varied level of engagement at various stages of the crop under cultivation or at various times of the season/year. Some crops are of short duration, some are of long duration and some can have life time of several years like Coffee, Cocoa, Coconut, Mango and Cashew etc.

The produce from the agriculture also varies including food grains, oil seeds, spices, flowers, fruits and vegetables etc. Some may not yield any produce like Casuarina, Poplar, Eucalyptus, Bamboo etc. but these have other applications like being used in pulp manufacture or construction and others.

Some produce may be of single harvest like Paddy or Wheat or Sugarcane; some may have staggered harvest like some fruits and vegetables; some may have periodic harvest like Coconut; some may have seasonal harvest like Coffee, Mango, Cashew etc. The quality of produce may also vary from harvest to harvest as is mostly the case with some of the fruits and vegetables where initial or final harvests may be lesser quality while in between harvests are of normal or better quality.

The above are to provide certain domain specific insights while attempting to present the Objectives and Scope of Agricultural Costing.

Agricultural Costing

The focus of this paper is to derive the Objectives for Agricultural Costing and state Scope on the strengths of the author's engagement with agribusinesses and stakeholders of agriculture over the years.

To set the tone, it is important to recall that the **Mission of Agriculture** can be stated as *"To meet the food and nutritional needs of global population; securing the livelihoods of millions through employment and entrepreneurship; and*

help achieve overall socio-economic inclusion".

Given the Mission of Agriculture and importance of agriculture for any nation, the Objectives for Agriculture Costing are stated as under.

OBJECTIVES OF AGRICULTURAL COSTING

The objective of Agricultural Costing shall be to provide principles and framework along with concept and methods to ascertain costs and their evaluation, analysis and application in decision making, sustainable resources access, resources use optimisation and minimisation of risks; thereby working towards sustainable agriculture.

Agricultural Costing shall contribute to the sustainability of agriculture with reference to environment, challenges of climate change, ever increasing pressure on scarce natural resources and socio-political-cultural dynamics within the ecosystem while also meeting the aspirations and expectations of the stakeholders associated with the agri value chains.

- ⊙ The canvas of agriculture has been changing and attaining levels of complexity as the stakeholders have to strike balance between the farmers' well-being as well as food/nutritional needs AND protection of environment, management of natural resources and effects on climate change. Some international agencies⁶ initiated to propagate landscape management that supposedly encompasses all these. This needs objective, qualitative and quantitative analysis and thus a focus for Agricultural Costing.
- ⊙ The nations across the globe strived to achieve significant success on the set Millennium Development Goals (MDG) and embarked on achieving ambitious Sustainable Development Goals (SDG). Agriculture is important and has direct influence on many of these SDGs including: End Poverty (SDG1), End Hunger (SDG2), Gender Equality (SDG5), Good Jobs and Economic Growth (SDG8), Reduced Inequalities (SDG10), Responsible Consumption (SDG12), Protect the Planet (SDG13), Life Below Water (SDG14) and Life on Land (SDG15). Agricultural Costing with its objective to contribute to sustainable agriculture can be of significant use in achieving the SDGs.

Agricultural Costing shall contribute to 'net value creation' at each and every node of the value chains – whether integrated or otherwise - and thus economic value optimisation; possibly to defy generally accepted arithmetic and help achieve preferred goal of integrated agri value chains viz., making two plus two⁷ to result in more than four⁸.

Agricultural Costing shall assist the policy planners opting balanced approaches towards inclusive growth by enabling optimised resources access and use; the biggest dilemma often encountered by policy planners to achieve inclusive growth is whether to opt for direct income redistribution

⁶Example: Rainforest Alliance

⁷Individually achievable

⁸Through integrated and coordinated working

or productive employment⁹; in other words whether to put money in the hands of the needed people or invest scarce resources in productive assets and make people benefit through access to productive assets. This can be better understood with a popular saying from the livelihood promotion fraternity “If you give a man a fish, he will be hungry tomorrow. If you teach a man to fish, he will be richer forever¹⁰.”

The Objective of Agricultural Costing shall be to help in enhancing access to the precious produce by balancing the interests of both buyers and producers/sellers with due regard to the pulls and pushes at the market place; through frameworks that can be used in developing ‘pricing’ models. Example, some of fruit pulp buyers compensate processors with ‘raw material cost plus’ models as the both the buyers and processors do not have control on the market prices of the fruits to be processed (imagine Mango or Tomato – prices of which can vary anywhere from Rs. 10 per Kg. or lesser to Rs. 40 per Kg. or above). Another innovative model used is to source produce at a fixed price throughout the year and this price is derived with analysis of prices prevailing at various points of the previous years or seasons.

The Objective of Agricultural Costing shall be to bring under focus the ways in which value optimisation is feasible – technically, commercially and financially –such value optimisation can be in the form of:

- ⊙ Improved productivity at the farm level (including factor level productivity but NOT just yield per area of farm land),
- ⊙ Enhanced value addition (including through primary processing at field level; secondary and tertiary/higher level processing at the level of farmers’ collectives like Farmer Producer Organisations or Others),
- ⊙ Market-led practices in particular postharvest management and marketing practices aimed at avoiding distress sale and participation in commodity exchanges and future trades, and better market access opportunities through appropriate market infrastructure.

The above can at best be stated as illustrative as the canvas of agriculture and agribusinesses is too broad to be able to generalise; nonetheless serve as benchmarks.

The costing methods and systems rely on technology and processes for any manufacturing environment. In the case of agriculture, the crop phenology¹¹ and agri value chain framework shall be the base. The agri value chain framework can be derived using generally accepted value chain analysis model¹² of Prof. Michael Porter.

SCOPE OF AGRICULTURAL COSTING

The scope of Agricultural Costing relies heavily on the cost structure. The normal structure as otherwise used in costing

⁹The Growth Report – Strategies for Sustained Growth and Inclusive Development (2008)

¹⁰Anne Isabella

¹¹To mean end to end crop cycle.

¹²Creating Competitive Advantage - Creating and Sustaining Superior Performance by Prof. Michael E Porter

is to be followed. However, the costs, as can be the case with type of industry and processes, are to be understood with specific reference to agriculture.

Prime Costs: The direct material costs consists of costs of all inputs like seeds, fertilisers etc. These may include packing material if the same are for one-time or one-season use. The direct labour costs consist of wages and charges paid towards various labour needs viz., land preparation, nursery/sowing/transplantation, weed removal, crop protection, harvest and postharvest management.

The direct overheads include any other direct expenses like rent on leased land, commission/paid to marketing agent, cess paid to market yard, electricity or other costs on irrigation and depreciation on equipment used, if any, like pump set, power sprayer, tractor, harvester etc. Interest on short term loans, insurance, other financial charges and warehouse rent etc. also to be categorised under direct costs as these are mostly for a season.

Indirect Costs: In the case of agriculture considering that majority of the farmers are of small and marginal category, the indirect costs may be nil or insignificant. These may include salaries/wages of any long-term employees/workers being engaged viz., those employed on annual contract or engaged for use in multiple activities including agriculture.

Indirect expenses to include depreciation on common equipment, warehouse facility costs if used for more than one season and types of produce. Interest on loans borrowed to be used on land development, purchase of equipment with impact spread on more than one year/season are to be treated under this head.

Specific attention is drawn to:

- ⊙ Treatment for subsidies or other support received from government of other agencies
- ⊙ Notional costs towards own seeds or fertilisers or other inputs used by the farmer
- ⊙ Notional costs towards supervision or marketing of produce etc. by the farmer
- ⊙ Notional income towards produce retained for self-consumption or use.
- ⊙ Any others that significantly constitute the total cost or total revenue.

With the above understanding of the cost structure, the scope for Agricultural Costing is stated as under:

A. General

Access to adequate, quality and timely data is of paramount importance. The agricultural costing can help generate such data base with reference to many crops as specific to certain geographies and agro-climatic conditions.

India is a country with lot of diversity. Different parts of the country are recognised for specific crops with produce of peculiar characteristics (Example Chillli from Guntur or Byadgi or North East). The varieties and practices associated

with same crop may be different for different parts of the country. The markets for inputs and output also normally vary.

Thus, the costs for the same crop are likely to be different for different parts of the country. It is sometimes surprising to note that the conditions are likely to be different for the same crop cultivated in different fields in the same village or area. This is not a peculiarity experienced in India but generally the case with many developing countries where small scale farming is predominantly in practice.

In the case of large scale farming, the scale impacts the costs significantly and the cost structure will vary. Mechanisation significantly impacts the large-scale farms as investment, associated financing costs and depreciation are generally high. This is generally the case with commercial farming in developed nations and can be the same in some of the commercial farms in developing nations like India or South Africa wherever mechanisation is preferred for better productivity and because of the challenges associated with engaging labour.

Hence the data sets for each type of crop and within each crop for varieties, it is important to have data base on costs and revenue, among others. This can be of immense help to all the stakeholders associated with agri value chains. Unlike the case with industry or services sectors, confidentiality challenges related to costs can be lesser, if not nil, with reference to general agricultural costs, unless they related any specific agribusiness with ‘for-return’ investments or protected technologies or such other cases.

B. Farming

Majority of the Indian farmers are generally categorised as small and marginal farmers (SF/MF) on the criteria of land holding for agriculture purpose. Other categories are medium and large farmers. Agriculture is still considered as traditional or family custom, generation after generation. Whereas there is great need to recognise and manage agriculture as a for-profit economic activity; and to recognise farmers as agripreneurs.

In this context, farmers are in need of details on costs incurred, yields, quality/grading of produce, ease in market access, benefits accrued and such other data for each crop cultivated in any season and every year. Availability of such data/information is of use in making decisions on land use and crops to be cultivated in any season with due regard to the agro-climatic conditions, access to irrigation and other inputs and skill/capability of the farmer with reference to prioritised crop, among others.

The agricultural costing will be of help to the farmers as observed hereunder:

- ⊙ Application of “Key Factor Analysis” using the cost, revenue, yield and other data to identify which crop generates maximum contribution per unit of critical resource along with easy and remunerative market access. In general conditions, land is the critical resource as land available is limited in the case of

small and marginal farmers and even some of the others. Thus, it would be important to ascertain which crop/variety generated maximum *net income* with minimum risks, during a season from each cultivable land of the farmer. Generally, a farmer may have land holding of small parts in the same or other areas.

- ⊙ While the above analysis is expected to help in deciding which crop/variety is to be cultivated in each of the land parts, other analysis that can be undertaken at the farmer level using the historical data on costs, yields and benefits include:
 - Crop-wise income or loss
 - Land parcel-wise/Resource-wise income or loss or contribution
 - Crops that generate better/higher net-income
 - Lands that are generate better/higher net-income
 - Loans that have higher costs
 - Decision making support on: Make/Buy; Hold/Sell; Hedging, Futures Trade; Commodity trade participation etc. Sell Produce as Produce or Work on Value Addition; Investment; Productivity Improvement etc.

C. Research and Academics

Researchers and academicians are generally engaged in developing new varieties, technologies, crop protection measures, processes, practices etc. that help farmers in improving the produce characteristics, productivity, production, shelf life, market access etc. However, while some of such developments are of high scientific value, it is important to be able to establish the cost-benefit analysis for their application at the field level.

Agriculture being the primary livelihood activity of the farmers, *any and every change proposed to be introduced in the areas of agriculture shall be beneficial to the farmer else the livelihood and thus the socio-economic security of his/her family can get impaired.* Hence, it is essential for one to be sure of the practical implication of the ‘proposed change’ on the farmers’ fields.

Agricultural costing helps in ascertaining costs and benefits as associated with the application of such development or change and their analysis as compared to the benchmark norms/data.

D. Policy Planning

The agricultural costing with reference to policy planning brings immediate focus on Commission on Agricultural Costs and Prices (CACP) and its role in the decision on Minimum Support Price (MSP) for certain crops. (There has been sustained debate on the advantages or otherwise of the MSP regime.) However, this can only be one among many areas where the data on costs, yields and revenue/benefits can be useful with reference to policy planning. Some such areas are:

- ⊙ To arrive at farmer household scenario with reference

to crops they are engaged with as specific to certain geographies or agro climatic zones or irrigation system etc.

- ⊙ To ascertain, assess and analyse the data to be able to issue advisories on crops that are suggested to be with better economic viability; such suggestions shall be supplemented with market intelligence information on pricing expected to be prevailing at the time of harvest, as a forecast.
- ⊙ To assess the needs for support facilities, services and systems for such crops that are assessed to be better remunerative for certain blocks or districts or regions.
- ⊙ To be able to design, develop and introduce cost-effective or convenient or efficient modes of services support like ICT based crop protection advisory using sensors and AI; mobile SMS based market prices dissemination etc.
- ⊙ To use such data while considering investments in support infrastructure or facilities. Public investments are generally considered based on social benefits but wherever relevant the cost and benefits data can help in assessing the economic aspects as well.
- ⊙ Farmeconomics usually forms the basis while taking certain decisions, however, if such farm-economics are derived with analysis of data on cost, yield and benefits as ascertained through agricultural costing, it can be more rational.
- ⊙ There can be many other ways in which historical data on costs, yields and benefits and their analysis can be of use for the policy planning.

E. Environment and Economy

Agriculture is significantly influenced by prevailing agro climatic conditions. Agricultural practices in turn impact environment and climate. The use of agro-chemicals, accessing ground water for agriculture and the manner in which some of the agricultural waste is disposed off are some examples wherein negative impact on environment and climate change are often visible. The burning of farm waste in some parts of Northern India and setting on fire of aged Oil Palm plantations in Indonesia and Malaysia are some examples impacting environment.

However, the waste can be productively used. Paddy straw can be used to make boards; banana tree trunk can be used to produce fibre and even security printing paper.

In the light of global concerns on changing climate and various actions and inactions impacting environment, it is important to explore ways in which desired measures can be propagated and introduced to save the planet for the future generations. The Planet, People and Profit (PPP) approach ensures business practices comply with environment friendly requirements. Landscape Management and Tree-based farming systems etc. are some measures being promoted to protect the overall ecosystem and balancing diversified needs and challenges.

The agricultural costing using concepts like “Total Cost”

and “Total Revenue/Benefits” is better positioned to take into consideration impact on and contribution to eco-friendly practices, to bring focus on “overall benefit or challenge” to the entire ecosystem but not limiting to only real and certain notional costs or benefits.

Conclusion

To sum up there is great need to compile cost and revenue data, adhering to generally accepted principles and practices of costing, related to various crops at different levels beginning with farms to higher level aggregations that can be useful in decision making, planning and monitoring/control by the farmers, policy planners, various other stakeholders associated with agri value chains including researchers and academicians. While these actors are expected to benefit out of access to and analysis of such system, even the environment can be protected and saved for the future generations as envisaged through the Sustainable Development Goals (SDGs). **MA**

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THE OUTLINE OF THE CURRENT SCENARIO AND GOVERNMENT POLICY IN AGRICULTURE MARKETING

Abstract

Agriculture is one the important aspect of our life. Our daily necessities of food are dependent on agriculture. Hence, our survival depends on the agriculture. Yet, we are merely giving importance to the farmer's welfare who are taking all the pain for our benefit. Similarly, our government are unable to meet the requirement of the farmers despite of various reforms. In this study the agricultural scenario has been depicted as well as it also reveals some of the hindrances faced by the agriculture sector. In order to overcome such hindrances what are the reforms undertaken by the government are also highlighted.

INTRODUCTION

Agriculture still continues to be the cornerstone of life on which the majority of Indian population depends. Now coming to the term 'Agricultural Marketing', it defines a total system that starts with the commitment to produce a marketable farm commodity, involving all the essential infrastructures of the marketing system, mainly including before and after harvest operations that also includes several functional, technical, and economic deliberations and actions like, *assembling, grading, storage, transportation and distribution* (National Commission on Agriculture). The farm productions apart from including cultivated products also included dairy, poultry and vegetable farming, fruit, milk, eggs, vegetables, honey. India's transport facilities, communication system, though quite upgraded with storage and warehouse facilities still Indian agriculture takes a backseat while comparing with



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other countries. Since varieties of products are listed under the term agricultural marketing, hence uniform distribution channels often make the system subside. Hence rebalanced supply chain needs to be implemented in order to eradicate concentration so that proper dispersion of items could be possible. The Government of India under the ministry of agriculture has also set up specific commodity Boards and export promotion council for monitoring and boosting the production, consumption, marketing and export of various agricultural commodities.

LITERATURE REVIEW

Agricultural policies in this global pandemic has reached

out to different heights with concerned efforts being made from the all authorized bodies just to help and manage the overall growth and uninterrupted supply of the agricultural crops to different areas and regions. The ongoing pandemic has literally affected this sector badly, and also simultaneously bought new rules for this sector too. Some literatures revealed the following findings:

Uma Lele, Sambuddha Goswami, (2020): In the study titled, 'Agricultural policy reforms: Roles of markets and states in China and India', the researchers have studied the market reforms along with market growth performances specially of India and China. The study found a sporadic Indian reform compared to that of the planned structural reforms of China. The gradual changes adopted by India's central and state governments have been inadequate to attain speedy agricultural productivity growth, taking into consideration the needs of the people, private sector of the country, and also the foreign institutional as well as the foreign investors investing in the country. In comparison, the researchers placed the policies and reforms of China far greater than that of Indian reforms studied from various angles.

Punit Kumar Agarwal, Pushpa Yadav, (2019): This book chapter titled. 'Marketing Reforms in Agricultural Marketing System in India', vividly describes the reforms in agricultural marketing system in India, that further gives the representations of the different traditional agricultural markets operating in the heart of the country India. Needs for market reforms together with detailed classification of the regulated market the study undergoes a detailed analysis of the market form measures that truly help the agricultural segment in different ways. Proper suggestions for improving Indian Agricultural Marketing System have been given at the end for better marketing of agricultural goods and services.

Ismaelline Eba Nguema, (2020): This article titled, 'A necessary reform of agriculture market access rules', the researcher after studying the different agricultural standards for different products claimed for a rebalanced structure that could probably meet the agricultural needs of all the segments. Construction of fair agricultural standards has built up new negotiation rules that has ultimately has started to be beneficial to all the developing country members.

Sunil K. Mohanty, Sibanjan Mishra, (2018): This journal titled, 'Regulatory Reform and Market Efficiency: The Case of Indian Agricultural Commodity Futures Markets', the authors have researched on the Indian agricultural commodity futures (castor seed, cotton oil cake, rape mustard seed, soybean, refined soya oil, crude palm oil, jeera, chana, and turmeric), taking into consideration the efficiency measures. The findings showed that the commodities future market in India is overall inefficient, largely due to market imperfections, the lack of competitive market conditions, or both. Large and similar trades, seasonality in agricultural commodities, commodities prices likely to be under severe pressure due to inaccuracy in weather forecast, risk factors, lack of adequate liquidity, all magnified the imperfections of the Indian commodity markets.

K. Ponnusamy, Priya Sharma, (2020): The study with the title, 'Extension And Policy Reforms In The Midst Of Disaster In Agriculture', the researchers tried to present the extension of functionalities in times of disaster, that plays an important

role in the farmers education about the disaster management practices over the periods. A glance of various extension strategies for management of disasters in agriculture as reported by researchers suggested to promote participatory and community-based climate smart approach that included several extension strategies, adoption of climate tough practices in crop and livestock farming that mainly guided the animals from heat stress.

OBJECTIVE

1. To entail the overall agricultural scenario keeping focus mainly on the global pandemic.
2. To enumerate the strategies and policies applied by the govt regarding the agricultural marketing.

DATA ANALYSIS AND FINDINGS

This study is based on secondary data available in National Sample Survey Organisation, research article and various websites.

AGRICULTURAL SCENARIO KEEPING IN FOCUS MAINLY ON THE GLOBAL PANDEMIC

Before COVID, the agricultural sector was facing any kind of challenges due to flood, rainfall and drought which was the result of natural calamity. But now in this COVID situation there are two more additional challenges has come into the picture they are the non-availability of labour and Unable to reach out the market. Though some part of agriculture who are depended on the technology were less effected due to non-availability of labour like paddy and wheat, yet they were facing difficulty in moving their crops because of conveyance facility in this pandemic situation.

Agricultural producers were facing huge loss or a meagre return in their business due to this pandemic. In numerous districts the interstate trade or access to urban market was because of the individual farmers rather than the support of the state. Though government has set a target of agricultural export policy to increase agricultural export to over US\$ 60 billion by 2022 and to double farmers' income by 2022, yet it will be difficult to say how far will this target be fulfilled as the government was mostly failure in this sector.

Table 1: NUMBER OF AGRICULTURAL PRODUCE MARKETS IN INDIA

Period	Number of Regulated Markets	Regulated Markets as per cent of Total Wholesale Assembling Markets
End of 1945	146*	2.00
End of 1950	286*	3.92
March, 1956	470*	6.44
March, 1961	715*	9.80
March, 1966	1,012*	13.88
March, 1974	1,777*	24.37
March, 1976	3,528	48.38
March, 1980	4,446	60.96
March, 1985	5,695	78.09

March, 1990	6,217	85.25
March, 1995	6,836	93.73
March, 2001	7,161	98.19
March, 2006	7,566	Almost 100
March, 2007	7,465	Almost 100
March, 2008	7,566	Almost 100

Note: * Represents only Principal Markets.
Source: National Sample Survey Organisation, 2010

Figure 1:

From the above table it is observed that the number of Regulated Market and the percentage of Regulated Market to the total Wholesale Assembling Market were on the increasing trend from the period 1945 to 2008. Hence, before COVID the regulated market was increasing but after the advent of this pandemic this regulated market were difficult to accessible due to problem faced in conveyance facilities. The detail information of Regulated market according to the state all over India in given below:

ANNEXURE-VI NUMBER OF WHOLESALE ASSEMBLING, RURAL PRIMARY AND REGULATED MARKETS IN STATES OF INDIA (As on 31.03.2008)

Sr. No.	States/UTs	Number of markets			Regulated markets		
		Whole – Sale	Rural Primary	Total	Principal	Submarket Yards	Total
1	Andhra Pradesh	314	577	891	314	577	891
2	Arunachal Pradesh	6	56	62	14	48	62
3	Assam	405	735	1140	20	204	224
4	Bihar *	325	1469	1794	95	431	526
5	Jharkhand	205	603	808	28	173	201
6	Goa	4	24	28	1	7	8
7	Gujarat	207	129	336	196	218	414
8	Haryana	284	187	471	106	178	284
9	Himachal Pradesh	42	35	77	10	32	42
10	Jammu & Kashmir	26	8	34	APMR Act not yet implemented		
11	Karnataka	498	730	1228	146	352	498
12	Kerala	348	1014	1362	APMR Act not enacted		
13	Madhya Pradesh	237	1321	1558	237	264	501
14	Chhattisgarh	2	1132	1134	73	108	181
15	Maharashtra	880	3500	4380	295	585	880
16	Manipur	20	98	118	APMR Act not enacted		
17	Meghalaya	101	112	213	2	-	2
18	Mizoram	10	105	115	APMR Act not implemented		
19	Nagaland	8	144	152	---	Nil	-----
20	Orissa	398	1150	1548	45	269	314
21	Punjab	437	0	437	145	292	437
22	Rajasthan	428	312	740	125	303	428
23	Sikkim	7	12	19	1	-	1
24	Tamil Nadu	300	677	977	277	15	292
25	Tripura	89	559	648	21	-	21
26	Uttar Pradesh	584	3244	3828	245	342	587
27	Uttarakhand	20	29	49	25	31	56
28	West Bengal	279	2925	3204	43	641	684
29	A & N Island	0	0	0	APMR Act not enacted		
30	Chandigarh	1	0	1	1	-	1
31	D & N Haveli	0	0	0	APMR Act not enacted		
32	Daman & Diu	0	0	0	Reported	Nil	
33	Delhi	30	0	30	9	14	23
34	Lakshadweep	0	0	0	APMR Act not enacted		
35	Puduchery	8	0	8	4	4	8
	Total	6503	20887	27390	2478	5088	7566

Note : * Bihar Agril. Produce Marketing (Regulation) Act Repealed From 1st September, 2006.
In Bihar and West Bengal sub yards include cold storages and hence figures of total regulated markets and wholesale markets are not comparable.
All principal regulated markets are wholesale markets, whereas sub market yards may / may not be a wholesale market as it also includes some of Rural Primary Markets notified for regulation.
Source: Different State Marketing Departments / Boards.

Source: National Sample Survey Organisation, 2010.

STRATEGIES AND POLICIES APPLIED BY THE GOVT REGARDING THE AGRICULTURAL MARKETING

Agriculture in India being the most precious tool of economic growth as it mainly creates dependency of other sectors, provides reforms in the structure of agricultural growth, current position and future. The reforms of regulated markets had been enumerated in this study that also lists suggestions for agricultural marketing for a vibrant transformation as a whole.

Agriculture being a climate dependent activity actually largely depends on the climates of the place. The natural hazards once come in the, whole agricultural system takes a backseat, calling for the reforms to be analysed, rebalanced, and reformulated from time to time. With total production and productivity being constantly increased it is very much essential to provide the farming

community with much better marketing facilities as well as infrastructures so that the correct prices are being fetched by the farmers for their produce.

- ⊙ Prior to independence, the major concern of the Government was to keep the prices of Argo food and raw materials at a control,
- ⊙ while after independence the main focus was to guard the minor interests of the farmers and also to augment the varieties and qualities of the agricultural commodities.

Below are the lists of hindrances in the domain of marketing the agricultural commodities that are really posing a threat to the overall system of agriculture-

- Fragmented market structure
- Inadequate number of markets
- Improper market infrastructure
- High transaction cost and low-price realization
- Excessive wastages
- Entry barriers with restrictions in licensing
- Intermediate commissions and costs resulting in less remuneration to the farmers
- Unequal and irregular information related to markets
- Stringent and stern credit policies not suitable to the farmers

With all these barriers in view some important reforms initiated by the Government are as follows

- ▲ The three ordinances have been recently introduced by the Central Government: The Essential Commodities (Amendment) Ordinance 2020, The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020, The Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020.
- ▲ Amended Essential Commodities Act (ECA), 1955, allowing more sale of the farmers to anyone creating value chains and better returns to the farmers.
- ▲ AtmaNirbhar Bharat Abhiyantly typically focusses on farm sector reforms that recently announced 1 lakh rupees for financing agricultural infrastructural projects also sanctioned 500 crores for Operation Greens that comprised mainly all fruits and vegetables.
- ▲ Under the new reforms Government regulates production, supply, distribution to help out both the farmers as well as the consumers.
- ▲ Central Government also took initiative to create 10000 FPOs scheme with NABARD as implementation agency.
- ▲ After COVID 19, market-based mechanisms focused on introducing farm ordinances, newly added features to e-NAM that was introduced in 2016 for efficient market-based price discovery by the farmers.
- ▲ Access is being tried to be improved to formal credits and insurance, with also proper liberalization of the markets.

- ▲ Further in covid crisis the Government announced and granted 1.63 lakh crore rupees outlay, and also making some relaxations of the stringent Essential Commodities Act (ESA) to remove cereals, edible oil, oil seeds, pulses, onions and potato from its scope.
- ▲ In the coming days the Central government are planning to give way outs of how the farmers could get an idea of harvest time prices that is a serious technological hindrance faced by the small farmers.

CONCLUSION AND SUGGESTION

In this pandemic situation, the government must focus on how to solve the problem of non-availability of labour and to increase the transport facility for agriculture sector. This obstacle has grown up so much that the farmers are facing huge difficulty in earning income for their daily necessities. There must be proper reforms for the welfare of the farmers.

In spite of the various hindrances in the Agricultural sector, government had been trying to improve the situation by implementing various reforms. The implementation of these reforms was not so successful to cater with all the obstacles in the agricultural sector. There must be proper management system, so that such reforms become fruitful to the agricultural sector. **MA**

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DOUBLING OF FARMERS INCOME - BACKDROP, EFFORTS, ACTUAL PROGRESS & FUTURE COURSE CORRECTION

Abstract

1994 to 2015 reflect a dismal rate of growth of farmer's income pushing government's resolve to double the 2015-16 income in just 7 years by 2022-23. This is highly challenging and entailed drastic measures and reforms. Though a mid-term review of actual growth up to 2018-19 indicate that much of the set target is yet to be covered, some course correction can still make it possible so that more than 50% of India's population is greatly benefitted even if we achieve the doubling of income by a couple of years after the original FY 22-23 target.



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Lower per capita GDP of India's agrarian class compared to other citizens induced our PM to envision for Doubling of Farmer Income (DFI) in 2016 by FY 22-23 from FY15-16 baseline.

A) **Backdrop of the DFI Concept**- it would be relevant to understand the DFI target with ref to:

Table 1: Historical data of the Primary sector Between FY94-95 to 15-16 (Ref #1):

FY	Total Income (Rs Cr)	Labor Cost (Cr)	Rural Cost Index	Net Income (Rs Cr)	Real Income (Rs Cr)	Farm families (Crore)	Income per family	Real Income/ family
1994-95	223709	45755	59	177954	301617	14.39	12367	20960
1999-00	426582	90951	90	335631	372923	13.88	24181	26868
2004-05	527289	93130	100	434159	434159	16.61	26138	26138
2011-12	1409932	202804	183	1207128	659633	14.62	82567	45119
2012-13	1558480	245750	220	1312730	596695	14.36	91416	41553
2013-14	1753691	276532	245	1477159	602922	14.10	104763	42760
2014-15	1849931	291708	261	1558223	597020	13.85	112507	43106
2015-16	1940636	306010	273	1634626	598764	13.60	120193	44027

Crucial Findings of the Report (Ref#1):

- Between FY 94-95 to 14-15-**the real income doubled in 20 years** (Rs 43106 vs. 20960).
- From 1965-2015-in 50 yrs -output grew by 3.7 times while the population grew by 2.5 times.
- From 1983-2013-**cultivator income was just one third of the non- agricultural labor** earnings inducing large migration from agriculture.
- As per 2011 census -**22% rural families below poverty line (BPL)** and even worse for UP, Bihar, Jharkhand, Orissa and MP.

Table 2- CAGR and Projected DFI period based on FY 02-03 vs.12-13 data (Ref#2):

	Land size (Hectares)	Income/ Family		CAGR%	CAGR%	DFI (Years)	
		2002-03	2012-13	Nominal	Real	Nominal	Real
1	Landless (less than .01)	16560	54732	12.70%	6.19%	5.8	11.54
2	Lower Marginal (.01-.40)	19596	49824	9.78%	3.27%	7.43	21.54
3	Upper Marginal (0.41-1.00)	21708	62964	11.24%	4.73%	6.51	15.01
4	Small (1.01-2.00)	29916	88176	11.42%	4.91%	6.41	14.47
5	SemiMedium (2.01-4.00)	43068	128760	11.57%	5.06%	6.33	14.03
6	Medium (4.01-10.00)	68172	235644	13.20%	6.69%	5.59	10.7
7	Large(above 10 Hectares)	116004	496656	15.65%	9.14%	4.77	7.92
	All Size Average	25380	77112	11.75%	5.24%	6.24	13.56

Note: As per 2015-16 census, **nearly 68% of the total 14.64 crore holdings were up to 1 hectare.**

Table 3- State-wise data for top 10 states on comparative DFI (Ref#2)

State	Income/ Family		CAGR%	CAGR%	Doubling Time	
	2002-03	2012-13	nominal	Real	Nominal	Real
Andhra Pradesh	19608	73392	14.11%	7.19%	5.25	9.99
Bihar	21720	42684	6.99%	-0.33%	10.26	****
Karnataka	31392	105984	12.94%	5.71%	5.70	12.48
MP	17160	74508	15.82%	9.81%	4.72	7.4
Maharashtra	29556	88620	11.61%	5.66%	6.31	12.58
Punjab	59520	216708	13.79%	6.66%	5.36	10.75
Rajasthan	17976	88188	17.24%	9.39%	4.36	7.72
Tamil Nadu	24864	83760	12.91%	6.68%	5.71	10.72
UP	19596	58944	11.64%	4.72%	6.30	15.02
West Bengal	24948	47760	6.71%	-0.22%	10.67	****

Main inferences from Table 2 & 3 are:

1. For **large farmers the real income would double within 8 years, while it will take 21 years for marginal farmers and 12 years for landless.**
2. While India would require 13.5 years for DFI, **MP & Rajasthan would get it within 8 years but Bihar & West Bengal would technically never achieve DFI** due to negative rate.

B) Multipronged Efforts under DFI Plan

1) Yield improvement- according to a study (ref #3) significant yield gaps noted as under:

- a. Cereals- 28% in Wheat and up to 212% in Jowar.
- b. Pulses- 115% in Bengal gram and up to 225% in Green gram.
- c. Oilseeds-24% in Mustard and up to 181% in Sunflower.
- d. Vegetables-57% in Potato and up to 173% in Onion.
- e. Fiber crops- 21% in Jute and up to 495% in Cotton.

Further it was noted that **even a 50% improvement in yield can increase income by Rs 10,000 per hectare through soil nutrition, crop rotation and weed control** as seen in Karnataka.

2) Land Utilization and Rational Irrigation.

- a. MP published the following data (Ref#4) under the very first year of DFI initiatives:
 - Area Under single crop- 36 lakh hectares to 28 lakh hectares
 - Area Under double crop-97 lakh hectares to 106 lakh hectares
 - Area Under Triple crop-2.5 lakh hectares to 3 lakh hectares

Total area expanded by only 1.50 lakh hectares but effective increase was 11.5 lakh hectares due to enhancement under double and triple crops.

- b. **Drip irrigation having potential to increase irrigation by 10 times as noted in Gujarat.**
- c. Andhra's experience of people lead shared irrigation under AP Farmers Ground Water System (APFAMGS) is another good benchmark for better yield at minimum water.

3) Reduction of cost of cultivation

- a. Smart nutrient management to **optimize the cost & yield mix** and to preserve soil fertility.
- b. **Curtailling overdose of fertilizers and pesticide** through organic farming.

- c. Exploit **complementarities e.g. cultivation with growing tree species and horticulture** crops on bunds to enable green leaf manure and fodder for livestock thus saving on fertilizer cost.
- d. Bridging the **gap in the recommended seed rate for soya-bean and the actual seed rate observed in the field will save the extra cost** of seeds as experimented in MP.

4) FPO success stories of small & marginal farmers (Ref#5)

1. **Krishak Bharti Farmer Producer Co. Bakhtawarpur, Delhi-A FPO** with 1,100 farmers initially with just **500 kgs of vegetables were trained for** sorting, grading and for supply of consistent quality produce has now been linked up to sell directly to modern retailers **approx 4,000 kg/day with 20% more margins on price** apart from savings on the earlier logistic costs.
2. **Kedarnath Kisan Agro Producer Co. Ltd. (KKAPCL)-A FPO** of District Tonk, Rajasthan with 1000 farmers opened an Input Supply Shop initially for fertilizers and pesticides. The crops are procured from the farmers directly during harvest season and sold to appropriate vendors at good price. During 2016-17, the FPO earned Rs. 17,172,450/- for Chickpea and Rs. 69,98,887/- for Green gram thus increasing income and rendering various inputs and information support.

5) Applied Research Inputs from ICAR (Ref#6)

- a. Land developmental activities carried out in abandoned cultivated field increased the area under cultivation, **ensured safe disposal of the runoff water and retention of maximum possible runoff for ground water recharge and surface storage increasing the crop productivity on sustainable basis** in tribal belt of Jagdalpur district of Chhatisgarh.
- b. Under Mera Gaon Mera Gaurav scheme of ICAR implemented in 3 villages of Jorhat district (Assam) **yield gain ranging from 31% (potato) to 220%(Mustard) was achieved through simple methods** including soil management and transfer of specific agro technology.
- c. Select Integrated Farming System Models-- Like Rice-fish-poultry model, rice-fish-vegetable model, makhana-fish-singhara (water chestnut) covering crop-livestock-aquaculture were planned and demonstrated. **These resulted in increased percolation; reduced evaporation due to subsurface storage; low risk of breaching/ damage in heavy rain due to controlled runoff movement; low-cost as compared to check dam through technology easily understood by farmers.**

6) Diversification and Improved Methods of Integrated Farming- MP Case study (Ref #4)

1)Name-Jitendra Mahajan, Village- Nimandad,Block- Khaknar, Dist-Burhanpur, Mobile No: 9893227318

Old mode	Cost/acre (Rs)	Rev/Acre	Net Income (Rs)	New Mode	Cost (Rs)	Rev	Net Income (Rs)
Sreemanti Banana	50000	20T@6000 120000	70000	Banana G9 Tissue,INM IPM &drip irrigation	70000	25T@6000 150000	80000
Maize Hybrid	15000	4000kg@13.65 54600	39600	Cotton BT , INM, IPM &drip irrigation	15000	1500kg@41.6 62400	47400
				Interspread plant Watermelon	35000	20000@5 100000	65000
				Bee cultivation Honey	50000	300l@300 90000	40000
			109600				232400

Conclusion: Income raised by 112% under the new mode.

2)Gulab Singh Lodhi, Village-Nanhegaon, Block-Gotegaon,Dist- Narsinghpur, Mobile 9303950547

Old mode	Cost/acre (Rs)	Rev/Acre	Net Income (Rs)	New Mode	Cost (Rs)	Rev	Net Income Rs
Soyabean JS9752	6000	500KG@27.25 13625	7625	Soyabean RVS 2001-4	7000	700KG@27.25 19075	12075
Wheat GW366	7000	1500@16.25 24375	17375	Masur JLS-3 in paired rows	5000	800@52.25 41800	36800
				Mustard at 20 feet distance	2000	200kg@40 8000	6000
				Moong PDM-139 in summer	6000	600@52.25 31350	25350
			25000				80225

Conclusion: Increase in income by 221% under the new mode and also the new method is more conducive for sustainable agriculture as it is conducive to the risk of climate change.

7) Risk Mitigation –MP has a specific system for government compensation(Ref#4):

Sl No.	Category and Land Holding	Compensation for crop loss of 25% to 33%	Compensation for more than 33% loss
1	Marginal and Small Farmers with landholding up to 2 hectares	1.Rain-fed crop-@Rs5000 per hectare. 2.Irrigated crop- @9000 per hectare. 3.Perennial crop-@15,000 per hectare. 4.Vegetables etc. @18,000 per hectare.	1. Rs8000/hectare 2. Rs 15,000/hectare 3. Rs 20,000/hectare 4. Rs 26,000/hectare
2	For other farmers holding above 2 hectares	1.Rain-fed crop-@Rs4500 per hectare. 2.Irrigated crop- @6500 per hectare. 3.Perennial crop-@12,000 per hectare. 4.Vegetables etc. @14,000 per hectare.	1. Rs6800/hectare 2. Rs 13,500/hectare 3. Rs 18,000/hectare 4. Rs 18,000/hectare

Also, **diversification from farm services into Non Farm Services (NFS)** in Agriculture (artisans, equipment repairer, tool manufacturing, food processing etc.) and Non-Agriculture (Manufacturing, Mudra yojana, wage income etc.) can also **mitigate the risk in agriculture.**

C) Actual Progress Made in FY 2016-17 to 2018-19- (Ref#7)

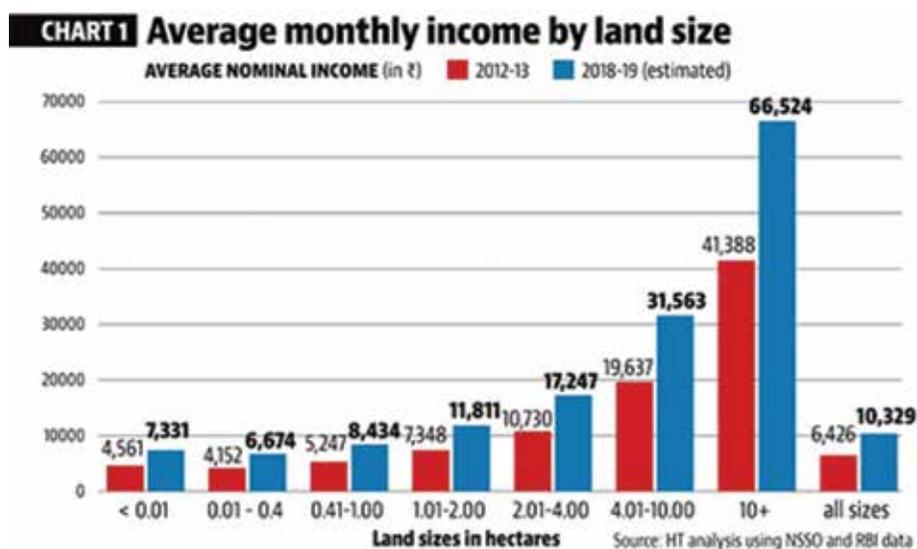
Table 4-Real Income (in Rs Crore) growth in Agriculture 2018-19 vs. 2015-16

	2015-16	2016-17	2017-18	2018-19	3 YR Inc
UP	194791	206092	219496	223824	15%
W. BENGAL	127667	132376	139248	140444	10%
TAMIL NADU	100916	99287	112079	123560	22%
RAJASTHAN	136858	148778	151203	154953	13%
MAHARASHTRA	144282	178530	184026	184026	28%
ANDHRA	121518	139395	163447	181074	49%
BIHAR	60735	67415	71963	72393	19%
PUNJAB	79763	84749	88693	89111	12%
KARNATAKA	72317	75386	83965	83064	15%
MADYA PRADESH	119758	152387	156031	164850	38%
TOP 10 TOTAL	1158605	1284395	1370151	1417299	12%
	72%	74%	75%	76%	
ALL INDIA	1616146	1726004	1828329	1872339	16%

Conclusion:

1. While there is *substantial progress for states like Andhra, MP, Maharastra, and Tamil Nadu towards DFI the performance of other major states is still below par.*
2. Overall progress achieved for 3 years is barely 16% and *unless there is a long impact of the measures in the coming years* the target if DFI may have to be pushed beyond 22-23.
3. Share of the largest *10 state has increased from 72% in 2015-16 to 76% in 2018-19 implying that the growth of other states has been slower than the major 10 states.*

Analysis of average nominal income between 12-13 and 18-19 also shows similar conclusions as indicate in the graph below (Ref#8):



Required Course Correction for Expediting DFI

1. Political impasse on reforms reflects the fact that for speedy implementation it has to evolve through a *wide spread*

political consensus through a mechanism like GST council.

2. Farmers have carried the stigma of being free users of electricity which can be altered if government starts a **scheme of replacement of all electrical pumps with the solar version.**
3. Wealthy farmers should be brought under **voluntary tax compliance to augment the government tax revenue to augment specific targeted schemes for marginal farmers.**
4. **Bio waste fertilizer plants** in residential townships and expansion of **weekly markets inside these colonies directly by the marginal farmers will enhance their financial position.**
5. Selective districts can be **mapped to specific agricultural universities by ICAR to improve its yields and sustainable agriculture** like Eco-technology, a environment friendly initiative of Tata evolve **sustainable growth along with grass root institutionalization.**
6. In the long term the **skill development factor in the farming class needs to be recognized for professional farming as well retention of motivated farmers** for radical progress of the sector.

Conclusion

DFI is not only important to raise the overall financial status of the agrarian class **but also to singularly raise the per capita income of more than 50% Indians.** Though the results up to FY18-19 reflect not a significant progress **but even if DFI is attained in 10 years compared to the previous doubling in 20 years it would be worth all the efforts.** For this the most crucial factor will be **all-round implementation of the reforms across India and uplifting the condition of marginal farmers.** MA

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AGRICULTURE MARKETING ISSUES, CHALLENGES AND STRATEGIES TO IMPROVE AGRICULTURE PERFORMANCE



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Abstract

Offering remunerative prices and increasing farmer's income are the major area of concerns to make agriculture farming economically viable and sustainable. Considering the critical and crucial role of agriculture in fulfilling the food and health needs of consumers by ensuring food security on one side and fulfilling the expectations of the agriculture producers and industry on the other side in the rapidly changing marketing environment are big challenges. There is need to rethink, reformulate and rework on the role and strategies of agriculture marketing in the changed marketing scenario considering agriculture dependent population and its contribution in GDP. This paper takes the review of agriculture marketing and major challenges and discussed strategies to overcome those challenges on the basis of secondary resources.

1.1 Introduction

National Commission on Agriculture was constituted in the year 1970. Food sufficiency and food insecurity were the major issues in front of government after independence of our country. This was the period where agriculture played more dominant role in Indian economy as around 70% of population

was dependent upon agriculture and nearly half of the national income contributed through agriculture sector. The government played major role by taking appropriate policy measures and timely interventions in the marketing system to deal with problems of food insecurity and to boost up the agriculture production and to ensure the adequate supply of food.

The Government initiated the policy measures like public storage, minimum support price, input subsidy, trade protection, regulation of markets, procurement and distribution of food grains etc to regulate the production and flow of food across the country.

It was common practice for the government to regulate, monitor and control the supply of food items to prevent monopolistic marketing and

other unfair practices with objectives to prevent food deficit. However, these controls were done away with, once the supply side was developed, and the market was freed to function in an open and a competitive environment.

Indian agriculture observed a drastic shift from subsistence farming to surplus output after 1970. It's completely changed the agriculture marketing system which suits to relevant marketing conditions.

Increasing farmers' income to make agriculture framing economically viable and sustainable became more important. Giving remunerative prices and managing demand supply in the context of seasonal productions, uncertain monsoon, demand volatility, lack of marketing infrastructure and poor marketing intelligence are the crucial challenges in the changed marketing environment.

Considering past, present and future of agriculture marketing in the changed market scenario and marketing environment, there is need of agriculture marketing systems which adapt to this change and effectively manage demand and supply of agriculture to fulfil the expectations of all the stakeholders in agri value chain. Competitiveness, cost effectiveness, productivity, viability and profitability of agriculture farming is major area of concerns to economy considering its employment generating potential and contribution in national GDP.

Besides other socio economical strategies and tools, agriculture marketing is considered to be a potential tools to solve the major ills of agriculture problems in managing demand and discovering right price for the agriculture produce and making agriculture more remunerative and source of generating income.

1.2 Need and Importance of Agriculture Marketing

Demand-driven production of agricultural produce, rather than production-propelled marketing, is the need of the day now. India is one of the largest markets for agricultural produce and markets need to function as a unified platform to make all consumers accessible to all the farmers

in the country.

Agricultural marketing in India witnessed period of subsistence farming to a surplus food economy. All the pre and post farming activities of farmers needs to be demand linked and to be based on relevant market information to stay with market dynamics as per the scope and role of agriculture marketing in consumer value creation and value delivery process.

Agricultural marketing as a term is used to refer to different facets, as an academic study, as a function of the supply chain, as well the marketing regulations and associated policy. Providing market intelligence is one of the core functions of agriculture marketing which remained neglected and overlooked. This hampers farmers marketing decision making on the sound, relevant and realistic market information.

The American Marketing Association defines marketing as the performance of business activities that directs the flow of goods and services from producers to users. Marketing is also defined by Philip Kotler as a social and managerial process by which individuals and groups obtain what they want and need through creating, offering, and exchanging products of value with others. The heavy emphasis on marketing is given on needs, wants and demand which actually direct the flow of goods from producers to consumers. This direction comes through carefully listening to voice of customers and knowing their expectations and requirements clearly. Customer requirements, standard, specifications and demand metrics are set on the basis of market information to execute meaningful exchange. The term agricultural marketing comprises all the activities involved in the supply of farm inputs and output such as buying, selling, market research, storing, risk taking, insurance, transportation, financing of the agriculture produce.

1.3 Marketing Intelligence and Information

The major marketing functions which refer to providing intelligence

and information that helps to direct the supply of agricultural produce to consumers in sufficient quantity, at the time and place, as needed by them. The failure in marketing functions leads to two scenarios which can be depicted as follows:

a) Growth in production has little value when it is not based on relevant information of demand. Marketing systems failure in forecasting right demand has little value in creating value for society in general and farmers in particular;

b) Failure of surplus agriculture produce to enter into appropriate market fails to bring in additional revenues to the farmers act as a disincentive for future production.

1.4 Objectives of Efficient Agriculture Marketing

The agricultural Marketing is discussed in Part XII of its fifteen part report of the National Commission of Agriculture (1976). The commission sighted that the objectives of efficient marketing system are :

- To maximise returns to the farmers as a primary producer
- To minimise the price spread between producer and ultimate consumer
- To create a facility and system to sale all the agriculture produce the farmer is willing to sell
- Making farm produce available to consumers at reasonable price and of considerable quality
- Doubling the farmers income by 2022-23

1.5 Outcomes from Agriculture Marketing

Agricultural Market networks were originated at a time of deficit production and marketing infrastructure was accordingly designed and developed to encourage the direct participation of farmers. The new opportunities which aroused owing to change in consumer preferences and crop diversification in terms of volume and value moved away market from the original set of targeted crops.

Marketing requirements and supply chain mechanism differs as consumer demand shows a marked preference and growth for the agricultural produce like fruits, meats, poultry, vegetables etc. Future market development intervention will need to cater to the full basket of agricultural produce. The results of a good marketing system are several, but some desired common outcomes are:

i. Monetising the Produce:

Marketing facilitate transaction and exchange process. Demand –supply situation creates value by deciding price and volume of trade in agriculture produce. The monetisation of the agricultural produce is very important as it contributes to the GDP and integrates agriculture with the national economy. Hence, intelligence on market demand in terms of quality and quantity is important to decide efficient price discovery and monetisation of produce.

ii. Demand Management:

Managing demand supply gap is vital function of agricultural marketing. Managing demand during recession and boom period with appropriate marketing tool is essential for effective function of the marketing system which encourages buyers and sellers

to enter into exchange process.

iii. Market growth: India’s agriculture shifted from a state of deficit towards a status of surpluses. Improved seeds, adoption of technologies, better farming practices, government incentives improved marketing conditions. The liberalisation, privatisation and globalisation changed market realities which created different opportunities along with threats. It also builds competitive pressure to manage demand and supply according to the global quality standards.

1.6 The Role of Marketing in monetisation

Marketing system which promotes transparency, ensures efficient performance, build up strong interlink ages of the stakeholders and encourages competition is beneficial to stimulate exchange process where goods are monetised and help in sharing benefits among the market participants. Effective marketing system which is responsive to changed market dynamics plays crucial role in enhancing productivity and increasing income of farmers.

1.7 Governments Role in Marketing

Linking agriculture to market has

been the priority of the Government to ensure production, supply and trade of agriculture produce be economically beneficial, sustainable and equitable to all the stakeholders in agri food supply chain.

The role of the government is crucial in providing market based intelligent information services to farmers for demand forecasting rather than situational based market prices based information. Creating conducive agriculture marketing environment to develop and expand the market footprints of the farmers locally and globally is the major role of government which they can play through adequate policy measures and interventions wherever necessary.

To maintain stable prices for consumers and to ensure remunerative prices to farmers, GOI continues to rely on a number of policy instruments like :

- input subsidies for producers
- regulation of markets
- food subsidies for consumers
- minimum support prices (MSP)

1.8 Transitions in the Marketing

Along with a transition of agriculture, the Agricultural Marketing System has also evolved to a certain level. Indian agriculture passes through five major stages as discussed in Table 1.1 shown below:

Table 1.1 Transition of Indian Agriculture and Marketing Approaches

Phase	Situation	Marketing Approach
Phase I : Pre-Green Revolution Period (1950-65)	Deficit in food production	To handle deficit, manage food security and regulate trade
Phase II : Green Revolution Period (1965-80)	Self Sufficiency in Food grains, start of ‘Operation Flood’	Managing distribution through procurement and incentivizing output
Phase III: Post-Green Revolution Period (1980-91)	Diversification	Adoption of product variety specific technologies
Phase IV: Economic Reforms Period (1991-2015)	Approaching surplus	Expanding market access
Phase V: One nation, One market, One tax ICT enabled marketing (2015 onwards)	Food Secure but problem of plenty emerges	Towards a National unified market

Supply chain Network of agriculture produce and strategic strengthening of the distribution received little attention in the era of agriculture marketing system which was purely focused on marketing infrastructure and regulations. The role of private

participants underwent a sea change. Creating demand linked market on the basis of efficient price discovery become possible owing to the effective role of private participants in the agri value chain.

Effective marketing system eliminates inefficiencies and help in disseminating demand and price related information to promote more responsive and relevant supply chain. According to the target market, technologies usage, types of consumers, regions and products the effectiveness of marketing system keeps on changing. Besides this some external marketing forces also play important role for certain agricultural commodities. Managing these marketing forces relevant to market dynamics also contribute in effectiveness of agriculture marketing system.

1.9 Agriculture Marketing Challenges

The report of Committee of State Ministers, in charge of Agriculture Marketing to Promote Reforms released in 2013 stated the major agriculture marketing challenges as mentioned below:

- ⊙ Inadequate marketing infrastructure
- ⊙ Fragmented supply chain
- ⊙ Lack of Market intelligence
- ⊙ Limited access of agriculture produces market
- ⊙ High wastages in supply chain
- ⊙ High incidence of charges
- ⊙ Lack of nationally integrated market
- ⊙ Less price realization to farmers
- ⊙ Demand fluctuations
- ⊙ Seasonal productions
- ⊙ Long intermediation

The Department of Agriculture Cooperation & Farmers' Welfare formulated recommendations known as the Model Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017, which incorporates various changes to reflect the agenda of a unified national market

for agriculture, besides facilitating alternate market channels, including opening up the system to private sector as well for alternate online marketing platform.

1.10 Notable changes in Agriculture Marketing

With the development of the alternative marketing channels like cooperative farming, contract farming, organized retailing and subsequent marketing reforms lot of notable changes observed which were attempted to increase the farmers' income. The major notable changes are as mentioned below:

⊙ Direct Marketing

Direct marketing in the context of agricultural marketing, where farmers directly transact their agriculture produce with consumers. These operates in two basic formats (i) Farmers' Markets, and (ii) Direct sourcing from farmer's field by processors.

Direct marketing and direct sourcing allows farmers to skip multiple layers in their transactions and benefits by skipping of intermediary margins. Though recommended in the Model APMC Act & Rules, very few of States have issued such licenses for direct sourcing.

Farmers market operating in different states such as *Apnamandis* in Punjab, Haryana, *Shetkari Bazaars* in Maharashtra, *Rythu bazaars* in Andhra Pradesh, *Uzhavar Sandhai* in Tamil Nadu, and *Raitha Santhe* in Karnataka.

⊙ Contract Farming

Contract Farming overcomes the demand issues, marketing connectivity and accessibility related issues and market middlemen related issues. Assured exchange of agriculture produce of predetermined quality and quantity to consumers can be ensured through contract farming mechanism. This also

ensure regular and consolidated demand to farmers in the form of assured market for their agriculture produce.

⊙ Private wholesale markets

21 States/UT have made enabling provisions for setting up of such markets and only 11 States have notified the rules there under to implement the provision.

⊙ Organised retailing

Retail is the last mile connect with end-consumers, either food or for non-food items. The food and agro-processor have a forward distribution channel for their retail needs and their enterprise level marketing is handled by individual processor and brand owners.

⊙ Farmer producer organizations (FPOs)

Organizing producers into formal management practices is necessary to bring benefits of economy of scale and to offset the disadvantage of fragmentation in landholding. The collective power of the farmer producer helps in collective decisions on cultivation and to make the best use of market information to improve efficiency and effectiveness in activities like input supply, processing, transportation, distribution, marketing and credit supply. The aggregation of producers in organized system like FPO integrates them with the supply chain wherein opportunities for resource optimization, cost minimization and profit maximization can be explored. In XII plan, GOI encourages state to promote FPO as a regular activity under various Schemes including RKVY (Rashtriya Krishi Vikas Yojana).

The Farmer Producer Company (FPC) is also becoming effective in majority of the states as it can leverage its strengths in accessing the

input and output resources, in adoption of technologies and services to create and add value to the member farmers by enhancing their collective bargaining power.

⊙ Cooperatives in agricultural marketing

Cooperatives have achieved limited success and were recognized as one of the means to aggregate farmers for establishing scale in marketing and production activities, besides easing access to credit and other services over the years.

⊙ Food & agro-processing

The food and agro-processing units are important mode for farmers to monetise their produce and enhance the share of farmers in value chain. Agro processing units suffers from seasonal production, lack of technical knowhow, irregular demand, poor infrastructure, low public investment, mismanagement, high level of fragmentation and inadequate credit availability. Linkages between producers and processors are not adequately developed. GOI promotes agro processing units to enhance value and increase the share of farmers in agri value chain which is very low compared to the share of farmers in developed countries.

1.11 Effectiveness in marketing system

The following specific goals and factors need proper attention to demonstrate the efficiency and effectiveness of the marketing system to enhance the incomes of farmers.

⊙ Demand signals to supply side

– a well organised marketing system will communicate backwards from Fork-to-Farm, in advance to production, such that the entire supply chain will function to service Market intelligence, on basis of past trends and predictive analysis is a key driver, especially in

times of undirected surplus production.

⊙ Increase in revenue generation

– a well organised marketing system will increase the sum total of revenue generated and more equitable sharing of the revenue in the agricultural value chain.

⊙ Market Expansion

- The effective marketing system will always promote the expanding of the market range of the producer/supplier and provide a better choices to the consumers .Market expansion connects demand and supply centers as a web of network just like one unified national market. This reduces price dispersion across country which comes owing to information asymmetry. It removes price volatilities and demand fluctuations.

⊙ Increased competitiveness

– a vibrant marketing network will create a competitive market environment with improvement in resource optimization and incentive for reducing inefficiencies in the supply chain. This enhances marketing productivity and profitability of every participant in the agri value chain.

⊙ Creation of Alternate Marketing Channels

- An effective marketing system would create alternate market channels to widen the consumer base. It promotes multiple selling or market options through social media, e commerce and other ITES services.

The National Commission on Farmers (NCF) stated that marketing, storage and processing of agricultural produce needs to shift to one that promotes grading, branding, packaging and development of markets at national and international level.

1.12 Conclusions:

Agriculture marketing if deals with the market realities and addresses the challenges by developing innovative

marketing tools, techniques, strategies and models which not only enhances the efficiency and effectiveness of the marketing system but also create and add value to all the members in the agriculture value chain is need of the hour. With the adoption of technologies and digitisation, Agriculture marketing in India is evolving and trying to become more consumers centric. With better understanding of the agriculture market and latest application of modern marketing tools and techniques has a potential to reduce market inefficiencies and enhance agriculture product specific marketing strategies to overcome the problems of agriculture and contributes in farmers' income and making agriculture farming economically viable and sustainable. **IMA**

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CMA AJAY AGARWAL (ICoAS)

Director (Finance)

Security Printing and Minting Corporation of India Ltd. (SPMCIL), New Delhi

Shri Ajay Agarwal joined SPMCIL as Director (Finance) w.e.f. 23rd November 2017. He is a Gold Medalist Commerce Graduate, Cost & Management Accountant and Masters in Business Administration (HR). He joined Indian Cost Accounts Service in the year 1992 and has served various Ministries & field organizations in various capacities. He served Ministry of Food Processing Industries, Ministry of Finance, Ministry of Health & Family Welfare, Ministry of Commerce. He looked after around 110 subordinate offices spread across India during his tenure with Ministry of Health & Family Welfare as Director Administration & Vigilance. He was instrumental in bringing systemic improvements in the functioning of various offices of Ministry of Health like Central Government Health Scheme (CGHS), Port Health Offices (PHO), Airport Health Offices (APHO), Regional offices and other health institutes of national prominence through numerous innovative measures.

He also worked as Chief Vigilance Officer, IREDA under Ministry of New & Renewable Energy. He was Director (Finance), Delhi State Industrial and Infrastructure Development Corporation Limited (DSIIDC) for more than four years. Prior to joining SPMCIL he served Office of Chief Advisor Cost, Department of Expenditure, Ministry of Finance as Advisor (Cost) for a short duration.

Shri Ajay Agarwal has travelled widely during his assignment with various Central Government Ministries. He has attended various training programmes in India and abroad including training in Financial Analytical Skills in London School of Economics and training on Public Private Partnership (PPP) in a renowned institute of USA, The Institute of Public Private Partnerships (IP3), Washington.

Shri Ajay Agarwal has more than 30 years of experience and expertise in corporate finance, corporate governance, capital structuring, equity and debt funding, strategic business planning, projects funding, treasury and financial management, financial and internal control, supply chain management, budgetary control, cost control, process improvement, compliance, statutory and management reporting.

Q. How would you describe your journey as Director (Finance) of SPMCIL, such a prestigious organization?

A. My journey as Director (Finance) of SPMCIL has been extremely fulfilling to say the least. To be associated with such a prestigious organization with rich history and tradition of carrying out the sovereign function of printing currency for the nation instils a sense of pride in me. I joined SPMCIL in November 2017 and it's been nearly 3 years with the organization. During the course of these 3 years, I have introduced multiple initiatives across the finance function to make it more robust and productive. My intent has been to transform the role of Finance department from a 'controller' to an 'enabler' for new initiatives in alignment with industry requirements. I would like to express my deep sense of appreciation to the CMD and my fellow Directors for supporting me at every step during this time.

Q. Before joining SPMCIL you served in various ministries like Ministry of Food Processing Industries, Ministry of Finance, Ministry of Health & Family Welfare and Ministry of Commerce. Can you tell us about which ministry you found very challenging and how you handled it?

A. I would say my 5-year stint from 2005-2010 with the Ministry of Health & Family Welfare was one of the most challenging as well as the most fulfilling. I got an opportunity to work on myriad areas impacting healthcare system in India. I oversaw some of the key initiatives of the Ministry including but not limited to revamping of Central Government Health Scheme (CGHS), Contingency Plan for dealing with Emergencies,

Administrative Booklet for streamlining procurement and other administrative issues in 110 subordinate offices of Ministry across India etc.

Q. How has the company performed over the past year?

A. Despite the challenges of the business and its surrounding environment, SPMCIL has registered yet another year of strong performance in 2019-20. While focusing on the production targets, the Company has also increased productivity per employee considerably. In terms of financial performance, the Profit before Tax (PBT) from continuing operations for the year 2019-20 was INR 1026.79 crores as compared to INR 800.69 crores (regrouped) for the year 2018-19 registering a growth of 28.24% over previous year.

Q. What emerging constraints (if any) are you facing towards developing state-of-art currency, coins and diversified security products in a transparent, cost-effective and efficient manner? How do you deal with the same?

A. SPMCIL has well established and globally renowned units – 4 mints, 2 currency presses, 2 security presses and 1 paper mill- which deploy latest state-of-the-art technologies and processes. SPMCIL units collectively have almost 100 years of security printing experience and over two centuries of minting experience. The units have continuously evolved and adapted to changing Marco-economic scenarios over the years. We believe in continuously upgrading our manufacturing capabilities and aligning them with prevalent industry benchmarks. At SPMCIL we ensure that increased focus is given to research and development, machinery

modernization and capacity building to sustain the wave of upcoming technology and security features in product segments.

Q. What are the key challenges faced by the company in terms of global competition, consumer behaviour and technological innovation? What steps have been taken to address these challenges?

A. Importance of becoming future ready in the world of rapid digitization, automation and consistently increasing demand of sophisticated technology cannot be overstated. SPMCIL's business verticals and product portfolio face the challenge posed by rapid adoption of digital security features and process automation, to which SPMCIL has responded pro-actively by taking initiatives to expand current digital and R&D capabilities and identify areas for developing credentials in digital product space.

We are in the business of printing money and have been observing the high growth rate with which digital payments have risen in recent years. Cash is still king in India, but there has been perpetual shift in favour of digitisation in recent years.

However, there is still a large part of our society that completely depends on cash for their daily transactions. Plus, when it comes to secure payment methods, cash is almost unbeatable. In terms of consumer behaviour, I therefore believe in the long run, given the context of Indian society, both cash and digital payments will co-exist.

Q. Elucidate your views concerning the significance of self-reliance and self-efficiency in the time of crisis like the COVID pandemic.

A. The definition of self-reliance has undergone a change in the globalized world. It no longer means being self-centred. I believe that self-reliance will prepare the country for tough competition in the global supply chain, and it is important that the country wins

this competition. More so, in times of COVID, strengthening domestic manufacturing capabilities through continuous process improvement and innovation, and reducing import dependency on critical items will help the Nation emerge stronger. At SPMCIL, we are following the core idea of self-reliance brought to fore by the 'Atmanirbhar Bharat Abhiyaan' launched by the Central Government. In fact, over last few years the organization's intent has been towards indigenous manufacturing under which we have now been producing critical items such as security inks, security papers in-house.

Q. What is your outlook on Indian economy for the next 5-10 years? Do you suggest any changes for a better India?

A. The outlook for the Indian economy prior to the outbreak of COVID-19, was looking very positive. First, the bumper rabi harvest and higher food prices during 2019-20 provided conducive conditions for the strengthening of rural demand. Second, the transmission of past reductions in the policy rate to bank lending rates had been improving, with favourable implications for both consumption and investment demand. Third, reductions in the goods and services tax (GST) rates, corporate tax rate cuts in September 2019 and measures to boost rural and infrastructure spending were directed at boosting domestic demand more generally.

Although many projections indicate a slump in the global economy post the COVID-19 era, but I still foresee the Indian economy to bounce back with a sharp growth rate in coming financial years. I am confident that post covid we will emerge way stronger in the market than we ever were.

A. How is your esteemed organization responding to this Pandemic crisis? What more needs to be done to make it easier for SPMCIL to operate in the new normal?

A. SPMCIL being a fully Government-owned organization has proactively followed all guidelines issued by the Government of India to mitigate the impact of COVID from time to time. The management has ensured that the guidelines are strictly implemented across all the 9 units and that sanitization drives are conducted frequently. The production planning and procurement timelines have accordingly been re-adjusted to keep a balance between employee welfare and meeting production targets.

Furthermore, in view of promoting employee welfare, SPMCIL is providing full reimbursement to its employees for hospitalization and other related expenses incurred due to COVID.

Q. What one piece of advice would you give to the young CMA professionals?

A. Never give up! I would like all the young professionals to be resilient and strong when it comes to commitment and values. I really want our new generation to aspire for their higher spiritual awareness. In this slipping world, it can get tough to hold on to the right things. But nonetheless, everything comes with time and honesty. I want the young CMA professionals to never doubt themselves, believe in the higher power and have faith in the spiritual systems of the world. It might come late, but for sure, it will come.

DIGITAL OBJECT IDENTIFIER (DOI)

Issue: October - 2020 [Vol. 55 No. X]

Name of The Article	Name of Author/s	Volume	Issue	Issue No.	Page No.	DOI Numbers
VOCAL FOR LOCAL: INCENTIVE SCHEMES FOR PHARMACEUTICAL API INDUSTRY	CMA Arnab Chatterjee	Vol.55	Oct-20	10	25-27	10.33516/maj.v55i10.25-27p
INDIA'S QUEST FOR SELF RELIANCE IN DEFENCE SECTOR: EVIDENCES AND LESSONS FROM CHINA	Avishek Roy	Vol.55	Oct-20	10	28-30	10.33516/maj.v55i10.28-30p
OVERHAULING EDUCATION STRUCTURE TO BE SELF RELIANT	Chandrakant S Arakeri	Vol.55	Oct-20	10	31-33	10.33516/maj.v55i10.31-33p
ATMANIRBHAR BHARAT ABHIYAAN: A STEP TO STEER INDIA TOWARDS SELF-RELIANCE	Sourav Prasad Dr. Debasish Sur	Vol.55	Oct-20	10	34-37	10.33516/maj.v55i10.34-37p
MAKE IN INDIA – REALIZING A COVETED DREAM	Deepak Kumar Mehto	Vol.55	Oct-20	10	38-41	10.33516/maj.v55i10.38-41p
MEASURES TO MAKE MSMEs KEY TO SELF-RELIANT INDIA	Dr. Inchara P M Gowda Dr. K. S. Sarala	Vol.55	Oct-20	10	42-46	10.33516/maj.v55i10.42-46p
SELF-RELIANT INDIA: A STUDY ON CONSUMERS' PERCEPTIONS TOWARDS SWADESHI PRODUCTS	Dr. Meenu Maheshwari Dr. Ashok Kumar Gupta Sudarshana Sharma	Vol.55	Oct-20	10	47-51	10.33516/maj.v55i10.47-51p
SELF RELIANT INDIA - STATUS & PROSPECTS - AND ETHICAL & CONSTRUCTIVE ROLE OF CMAs	CMA Padmanabhan Satyees Kumar	Vol.55	Oct-20	10	52-55	10.33516/maj.v55i10.52-55p
PATHWAY TOWARDS BUILDING A SELF-RELIANT ECONOMY WITH SPECIAL FOCUS ON MSME SECTOR	CMA (Dr.) Debdas Rakshit Ananya Paul	Vol.55	Oct-20	10	56-58	10.33516/maj.v55i10.56-58p
DIGITAL TRANSFORMATION OF MANUFACTURING OPERATIONS - ROLE OF IIoTs AND IoTs FOR SMART FACTORIES	CMA (Dr.) Paritosh Basu Senior	Vol.55	Oct-20	10	59-63	10.33516/maj.v55i10.59-63p
DESIGNING INVESTOR FRIENDLY DIVIDEND TAX FRAMEWORK	CMA (Dr.) T. P. Ghosh	Vol.55	Oct-20	10	64-67	10.33516/maj.v55i10.64-67p
LIQUIDITY STRESS TESTING A TOOL FOR INTEGRATED LIQUIDITY RISK MANAGEMENT	Biplab Chakraborty	Vol.55	Oct-20	10	68-72	10.33516/maj.v55i10.68-72p
ETHICAL FUNDING OF CSR PROJECTS: FEW PRACTICAL ISSUES	CS Subrata Kumar Ray	Vol.55	Oct-20	10	73-75	10.33516/maj.v55i10.73-75p
MARKETING STRATEGIES AMID COVID-19 PANDEMIC - A STUDY	Leenapriya De	Vol.55	Oct-20	10	76-80	10.33516/maj.v55i10.76-80p
AN ANALYTICAL STUDY OF STRESS AMONG THE WOMEN OF GUJARAT DURING LOCKDOWN OF COVID - 19	Hardita Dhamelia Dr. Manish B. Raval Dr. Ashish B. Gorvadiya	Vol.55	Oct-20	10	81-85	10.33516/maj.v55i10.81-85p
INTERNAL CONTROLS MATURITY AND SME CORPORATE GOVERNANCE	Dr. TR Madan Mohan Sharadha V Mukund Mohan K	Vol.55	Oct-20	10	86-89	10.33516/maj.v55i10.86-89p
AN OVERVIEW ON SAP S/4HANA MANAGEMENT ACCOUNTING	Dr. Ravi Surya Subrahmanyam	Vol.55	Oct-20	10	90-92	10.33516/maj.v55i10.90-92p
IMPACT RESULTING IMPLEMENTATION OF SAP ERP IN POWER SECTOR'S PSU-MSMEDCL	CMA Santosh S. Korade	Vol.55	Oct-20	10	93-95	10.33516/maj.v55i10.93-95p
AGRICULTURAL INSURANCE AND ITS REACH AND SPECTRUM IN INDIA	Debisree Banerjee	Vol.55	Oct-20	10	96-99	10.33516/maj.v55i10.96-99p
IMPLICATION OF MANPOWER PRODUCTIVITY ON PROFITABILITY OF KARNATAKA SRTC: AN EVALUATION	Manjunatha H R Dr. Mahesha V	Vol.55	Oct-20	10	100-103	10.33516/maj.v55i10.100-103p
EMPIRICAL MODELLING OF INNOVATIVE FACTORS RESPONSIBLE FOR MSME WELFARE: WITH SPECIAL REFERENCE TO TEA INDUSTRIES OF WEST BENGAL	Sumi Karmakar Aditya Sarkar Shounak Das	Vol.55	Oct-20	10	104-107	10.33516/maj.v55i10.104-107p
LIQUIDATION AS A GOING CONCERN	Vishal Gupta	Vol.55	Oct-20	10	108	10.33516/maj.v55i10.108p



DIGITAL TRANSFORMATION - INDIAN STARTUP ECOSYSTEM AND BLOCKCHAIN PLATFORM FOR CROWD FUNDING



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Introduction

Startups across the world have made and are continuing to make significant contributions for digital transformation of business entities across all industry sectors and government organisations. This has convincingly been established by many research scholars. India is no exception to this phenomenon. Startups help such entities by providing innovative applications

(Apps) and / solutions that are essential for frontend transaction processing, RPA, CRM with AR and VR, data analytics with AI and ML, information safety and security, storage, and retrieval management, etc. Certain startups help by manufacturing innovative products like IoTs, sensors, robots and drones, etc. that are essential for digital transformation.

During several personal interactions of the author many CIOs, CTOs and CDOs have acknowledged such help and support. According to them such collaborations with startups prove to be effective and efficient in terms speed, quality, and costs.

Modus operandi for such collaborations varies depending upon financial strength and stability of a Startup that has reached the stage of providing an adaptable solution in the framework of digital transformation strategy of an entity. In many cases there are mergers and acquisitions. Some deals are for outright purchase of the technology, product, solution and / or Application (App). In other cases fee-based deals are done with varying options for initial fixed fee, followed by recurring revenue earnings through royalty depending upon number of customers, or units sold and / or time based fixed payments. But before all these every startup passes through painful struggle for existence.

There are instances when corporate entities encourage young software programmers and designers by conducting hackathons. Hackathon is a portmanteau of the words hacker, indicating a clever programmer or designer, and marathon which is an event for testing endurance. In digital world hackathon also denotes a kind of social festival. It is a congregation of computer programmers where interested business entities challenge young computer programmers to improve upon or build innovative new software / Apps with rewards for success. Many small Startups in their formative stage also extends help through this route.

Objective

It is an encouraging situation when India Inc is trying to fire all cylinders to transfigure Bharat (please read rural India) as the engine of growth. Anaximander, the great Greek philosopher “.....postulated about the development of life from non-life and the evolutionary descent of man from animal. Charles Darwin simply brought something new to the old philosophy -- a plausible mechanism called natural selection.” India is at the cusp of such a Darwinian moment for pervasive digital transformation, the follow of which is gaining accelerated pace. The present author is of the view that this DIGITAL RIVER, as he contemplates, will be able to progressively irrigate Bharat with financial inclusion for inclusive happiness. All efforts for accelerated GDP growth will further be navigated by this River. Startups collectively are emerging as one of the most important and effective driving force for this.

But it is still a sad story that none worry much about a Startup for its days of multifaceted battle when ‘Startupians’ struggle, burn their hard earned savings, bootstrap, and stake family jewellery while striving to innovate a solution, develop a software or designing and manufacturing a product. The primary objective of a ‘Startupian’ at this stage is more for self-actualisation of her / his dream than earn money.

Therefore, the single point objective of this paper is to understand the present status of Startups in India in terms of numbers, impact of Covid-19 Pandemic on them, and keeping that backdrop in view ideate a scheme and platform

for crowd funding.

Startup Ecosystem in India

A dream is a dream! An idea is an idea. Not all dreams are ideas, and not all ideas are dreams. But an idea or a dream gives birth to a Startup. This process of startups emerging from thousands of dreams has now emerged as a large ecosystem in India. Most of the first-generation entrepreneurs here strive more for self-satisfaction by solving a problem for humanity than taking her / his startup entity as a vehicle for earning money.

According to a published article¹ definition of a Startup as per Government of India is “An entity less than seven years young with an annual turnover of less than 250 million rupees and headquartered in India. The Startup India initiative by the country’s Department of Industrial Policy and Promotion helps build a positive, effective ecosystem in the country, turning business ideas into a reality for a flourishing startup environment. States and union territories across the country introduced startup policies following the government’s initiative.”

Government of India in its own website ‘Startup India’² has mentioned that “India has the 3rd Largest startup ecosystem in the world; expected to witness YoY growth of a consistent annual growth of 12-15%. India has about 50,000 startups in India in 2018, around 8,900 - 9,300 of these are technology led startups. Startups in the country have been able to create an estimated 40,000 new jobs over the years, taking total jobs in the startup ecosystem to 1.6 to 1.7 lakh. Significantly, women entrepreneurs stood at 14% up from 10% and 11% over previous two years”

Exhibits - I and II indicates Industry wise and States and Union Territory wise numbers of Startups recognised by the Department of Promotion of Industry and Internal Trade in India (DPITI). There were 28,979 such recognised Startups in India as on March 1, 2020. These Startups cover about fifty businesses and other services segments. Readers will agree that these numbers will be more in thousands when unrecognised Startups are also taken into count.

Government of India under its ‘Atal Innovation Mission’³ has taken several initiatives for facilitating development of successful Startups in many ways. One of such initiatives is setting up of fifty-nine Atal Incubation Centres across the country, the School of Business Management, Mumbai of NMIMS University hosts one such Centre. Besides many private organisations are also functioning as incubators and accelerators. These Centres also try to bring in startup investors for show-casing solutions developed by cohorts being incubated by them.

But funding of a startup at its formative stage continues to remain elusive and far too less than what is needed, and available in developed countries.

Startup India Initiative for Startup Certification

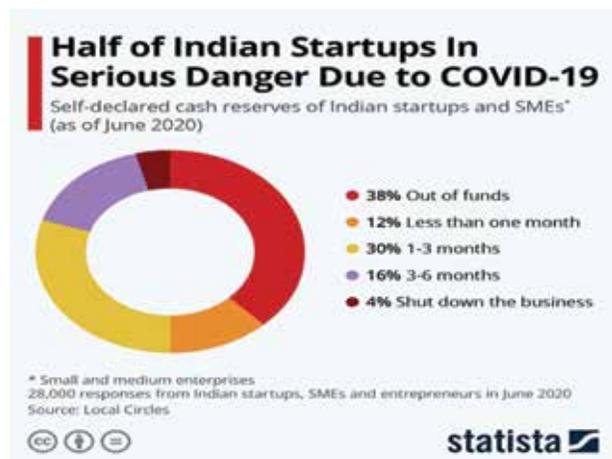
As a part of the Startup India initiative DPITI of GoI organised the virtual National Startup Award 2020 programme and announced the names of startups across

various categories and sectors. In that event an announcement was made about the “...launch of a startup discovery platform called ‘Startup India Showcase’ for recognising most promising startups in the country, along with the launch of the blockchain-based certification verification system, which will enable instant verification and access to certificates of recognition issued by the industry body.” Niti Aayog is working on such a certification platform in collaboration with Indian School of Business and Bitgram.⁴ This initiative is a good step in the right direction but one needs to wait and watch how far it attracts investors and results into actual funding in reality.

Impact of Covid-19 Pandemic

Entities across all industry sectors irrespective of their size and nature of business have severely been affected by Covid-19 Pandemic. Startups can most certainly not remain insulated from this. Almost all startups across the globe have badly been affected by the Pandemic. In a report published by Statista in June 2020 Katharina Bulchholz⁵ narrated the following position of startups, small and medium enterprises in India. This report is based on 28,000 responses against a survey conducted by them.

Readers can read the following statistics provided by the author alongside the pie chart. It depicts that about 50% of the respondents are either out of funds or have less than a month’s equivalent cash requirement. 4% have closed shops. Only 46% have some breathable space between one to six months, out of which 30% are in immediate need of cash.



Source: <https://www.statista.com/chart/22027/startup-sme-financial-situation-india/>

Even if Covid-19 Pandemic as a negative factor and its impacts are set aside, most of the Indian startups were never comfortable with their liquidity position. As have been said in a previous section Startupians mostly put at stake their last penny from savings and family jewels. This is almost a worldwide phenomenon. They do not even leave any option to bootstrap till finding an Angel investor. Many of them collapse if time taken to establish proof of concept and / or developing the prototype take time longer than they planned. Indian money market event today does not provide

a structured framework for Startups to source funds from.

The following table indicates Startups funded by Fund of Funds under Startup India Programme based on the initiatives of Government of India.

Number of Startups Supported and Amount Invested under Fund of Funds for Start-ups (FFS) by Startup India Programme in India (As on 31.03.2018 to 28.02.2020)			
Particulars	31.03.2018	31.03.2019	28.02.2020
No. of Start-ups	120	218	320
Amount Invested in Start-ups (Rs. in Crore)	570	1,403	3,378

Source: www.indiastat.com

Readers will appreciate that Rs. 5,351 Crore provided in about three years is by any count not sufficient for any meaningful development, stabilisation and growth of Startups in India and their impactful contributions to industries and governmental administration. A definite need had emerged long before Covid-19 Pandemic for making alternative arrangements for funding admittedly circa 50,000 Indian startups from the very embryonic stage till an Angel Investor or a VC steps in. For many startups even Angel investors may not agree to fund. Unfortunately, startups in general hardly has any tangible asset worth the name to be offered as a collateral for taking loans from banks.

Time is, therefore, here, and now for providing an effective alternative option(s) to startups for sourcing funds from. The present author feels that structured crowd funding platforms could be one such options.

Crowd Funding for Startups

Readers may be aware that the history of crowd funding dates to 1885. Joseph Pulitzer, an American newspaper editor, arranged to collect funds for building the pedestal for the Statue of Liberty which was waiting for assembly and installation during the summer of 1885. It would be interesting to quote Rodrigo Davies⁶, of the MIT. He wrote that, “As the Statue of Liberty was shipped from France, efforts to raise funds for its pedestal stalled. But thanks to a newspaper campaign and the small donations of hundreds of residents, the base was eventually built.” One of the recent crowd funding news goes like this. “Rotterdam studio ZUS has completed what they describe as the “world’s first crowdfunded public infrastructure project” - a 400-metre-long pedestrian bridge in their home city (+ slideshow).”⁷

One of the options for such crowd funded initiative is that when the asset is built by money from the crowd, equity shares may be issued to the individuals comprising the crowd. The asset so built is thus collectively owned and administered by the governing body of the initiative. Charges are generally collected for use of such an asset built

by crowd funding. Profit earned are distributed as dividend and a person can divest her / his equity share if needed.

The author is of the strong view that in India several crowd funding platforms for funding startups can be floated by private technology firms like Tech Mahindra, L&T Technology, Infosys, etc. Blockchain would be the most effective technology for building and operating such a platform, as has already been tried and tested in many developed countries.

The author's interactions with many HNIs, young corporate executives and technology professionals lead to conclude that Indians are ready to allocate a small portion of their investible surplus for startups. They may not be ready to fund one Startup at the risk of total loss. But they are ready to allocate that to several startups in small portions. This can further be validated by extensive primary survey.

Moreover, there are high probabilities of corporate houses providing funds to startups through crowd funding platforms. Such funding are expected from those who are looking for Apps and / or solutions for digital transformation or tangible products like, IoTs, IoRTs, sensors, drones, robots and its spare parts, and / or unique wearable consumer electronics like a FitBit. There is no need to say, that such fund providers must be convinced, or perceive on their own that such products rare and expected to be in high demand because of uniqueness and value for money to users.

The following could be an illustrative list of options for crowd funding depending upon the nature of product / services and quantum of funds needed by a startup:

- ⊙ **Peer to Peer Funding for Equity** - These funds are expected to come from those young professionals and HNIs who are ready to allocate a small portion of their investible surplus to more than one startups. Their expectations would be that one or two such investment would be successful enabling them to exit with high return. The startup may retain the right to buy-back at a predefined rate of IRR over a pre-defined timeline.
- ⊙ **Business to Startup Lending for Reward** - These group of lenders would be those business entities which have interest in seeing success of the startup as a vendor of unique product and / or service that the entity would need. Such entities would be ready to provide loan in exchange of discounts on market price at a predetermined rate and a commitment that they will have the right of priority as preferred customers. Such loans can also progressively be settled in lieu of payment against supplies.
- ⊙ **Peer to Startup Lending for Reward** - This will be the group of fund providers who will join to provide funds when a startup would promise that such lenders would have right to receive the products at a pre-defined rate of discount, equated to agreed rate of interest, on the market price out of the first few batches of production
- ⊙ **Business to Startup Funding for Right of Distributorship** - Such a possibility of fund against

equity and / or as loan would be possible for those startups which would require domestic and / or distributors when they start mass production. If loan is provided, settlement can be done by equivalent values of free supplies at a discount equated with rate of interest. If the startup is still in need of working capital, the term could be XY% payment in cash and balance to be adjusted against loan. In case of equity the startup may retain the right to buy-back at a predefined rate of IRR over a pre-defined timeline.

- ⊙ **Person or Business to Startup Equity in Kind** - A startup as a business entity would need certain services like that of a mentor, lawyer, marketing agency, celebrity model, logistics, financial and accounting, etc. Such services can also be arranged against equity allotment in future for equivalent of the service cost at a pre-defined value per share.

Some more such funding options can be designed to suit business needs of both sides. A startup can simultaneously opt for more than one such option befitting its requirement.

Blockchain Platform and Smart Contracts

The above schemes for crowd funding can be organised through a Blockchain technology-based platform. This will help ensuring all possible benefits of blockchain technology, which need not be overemphasised in this brief article. Smart contracts, drafted by eminent lawyers, can digitally be embedded into the platform with needful flexibility befitting the requirements for each scheme.

In cases of funding by equity, the same Blockchain Platform can be used for buying / selling and transfer of equity shares from one owner to the other. This technology will bring in credibility and transparency for the transactions, and directly provide feed for accounting of transactions in books of accounts and reporting thereof. Online auditing of such transactions would also be possible by statutory auditors of the participating individuals / organisations.

Strict processes can also be introduced for ensuring 'Know Your Participant' before anybody can propose and process any transaction. In this context the initiative of Niti Aayog for certification of startups through a Blockchain Platform will prove to be useful. The same platform can be used for the proposed KYP of investors also with interoperability ensured between the two Blockchain Platforms. Government can also administer various tax benefits to startups through such a Blockchain platforms.

Recommendation for Regulation

Indian financial Regulators are known for their resilience and innovative measures while handling regulatory functions and as mentors for financial markets. The author is of the view that the aforesaid propositions for crowd funding should not be left as free for all and should be bought under strict semblance of regulation. This will provide confidence to investors in startups at its formative stage to the effect that:

- ⊙ All transactions will remain within the realms of law,

- ⊙ Transparency, equity, and justice will be ensured for all stakeholders,
- ⊙ The entire system will function under the watchful supervision of the Regulator, and
- ⊙ Dynamic regulatory provisions will be flexible and modified befitting the emerging need of business and startup ecosystem.

However, the Regulator will have to ensure that their prescribed regulations are implementable without much of cost to be incurred. A regulator like SEBI, who also regulates Alternate Investment Funds like VC and PE Funds, may step in. It can provide the needful guidance and regulations for

configuring Blockchain Platforms for crowd funding, and handling of transactions directly by the concerned parties without any intermediation.

Conclusion

The author believes that all stakeholders of the startup ecosystem in India and for that matter any other country will find the above proposition for Crowd Funding implementable using a Blockchain Platform. It will be his privilege to participate in any such initiative by any private or public organisation. **MA**

Exhibits

Exhibit - I

Industry-wise Number of Startups Recognised by Department for Promotion of Industry and Internal Trade in India (16th January 2016 - 1st March 2020)	
Industry	No. of Recognised Startups
Advertising	282
Aeronautics/Aerospace and Defence	216
Agriculture	1,123
AI	694
Analytics	308
Animation	32
AR/VR (Augmented + Virtual Reality)	209
Architecture/Interior Design	155
Art and Photography	116
Automotive	454
Chemicals	136
Computer Vision	108
Construction	699
Dating/Matrimonial	27
Design	277
Education	2,031
Enterprise Software	782
Events	137
Fashion	328
Finance Technology	930
Food and Beverages	1,183
Green Technology	868
Healthcare and Lifesciences	2,425

Exhibit - II

State-wise Number of Recognised Startups under Startup India Initiative of India (As on 01.03.2020)	
States / Union Territories	No. of Recognised Startups
Andaman and Nicobar Islands	12
Andhra Pradesh	478
Arunachal Pradesh	4
Assam	197
Bihar	374
Chandigarh	105
Chhattisgarh	377
Dadra and Nagar Haveli	6
Daman and Diu	3
Delhi	3740
Goa	113
Gujarat	1555
Haryana	1635
Himachal Pradesh	64
Jammu and Kashmir	108
Jharkhand	235
Karnataka	4206
Kerala	1292
Lakshadweep	1
Madhya Pradesh	815
Maharashtra	5477
Manipur	19
Meghalaya	9

House-hold Services	220
Human Resources	461
Internet of Things	758
IT Services	4,064
Marketing	629
Media and Entertainment	534
Nanotechnology	66
Non-renewable Energy	79
Other Specialty Retailers	189
Pets and Animals	72
Professional and Commercial Services	1,214
Real Estate	261
Renewable Energy	814
Retail	704
Robotics	210
Safety	80
Security Solutions	252
Social Impact	203
Social Network	283
Sports	158
Technology Hardware	867
Telecommunication and Networking	281
Textiles and Apparel	318
Transportation and Storage	561
Travel and Tourism	583
Others	1,598
Total	28,979

Mizoram	3
Nagaland	10
Odisha	520
Puducherry	30
Punjab	223
Rajasthan	823
Sikkim	3
Tamil Nadu	1509
Telangana	1609
Tripura	12
Uttar Pradesh	2342
Uttarakhand	231
West Bengal	839
India	28,979

Source : Lok Sabha Unstarred Question No. 2912, dated on 11.03.2020.

Note: The author acknowledges contribution of Rajashree Basu in writing this article.

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LEADING IN UNCERTAIN TIMES – PREREQUISITES FOR BETTER NAVIGATION



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Abstract

One can neither predict uncertainty nor escape from it. Instead of fighting adversities with fear and inhibition, one can face them with courage and conviction. Ace Tennis player, 'Arthur Ashe' once said, "One important key to success is self-confidence and an important key to self-confidence is preparation." Inspiration to pen down this article was drawn from these golden words. Trust the said article will help young professionals recognize various nitty-gritty's and prepare well to handle uncertainties effectively.

In my last article “**Conquering the Difficult Phase**”, published in March 2020, I had narrated on some of the aspects that one needs to keep in mind, for dealing with uncertainties during middle phase of any project. Hardly did I know then that we were heading for an unprecedented medical emergency, much beyond anyone’s imagination. To be honest, COVID-19 Pandemic has caused havoc. On one hand, economy has shrunk; schools, colleges, offices, factories, shops

and establishments etc. are shut; major movements by road, rail or air are restricted, if not prohibited completely; medical infrastructure and professionals associated with health, sanitation and security (i.e. doctor, nurse, paramedic personnel, medical shops, sanitary workers, police, etc.) are stretched beyond limits; people have lost their jobs; migrant workers witnessed pitiable conditions for going back to their native states and so as the Government, facing an unparalleled mayhem trying to keep citizens healthy

and safe. On the other hand, everyone having been locked within the four walls is desperate to find a foothold for staying alive. People carrying out their office commitments by working from home; trying to manage daily needs of groceries, medicines, milk, fruits and vegetables, without venturing outside; coping with day to day house hold chores by themselves and most importantly determined on remaining healthy in this trying time. In nutshell, hardly there is anyone, who has not been impacted with these hostile,

adverse uncertainties.

It is always desirable to lead a **self-assured** life and more so during uncertain times. In fact, it's not only desirable but an absolute necessity as well. To remain calm and composed, one must stay watchful on his actions and behavior. When observed closely, one can unearth some of the nitty-gritty's which can simplify, the otherwise strenuous journey ahead. Listen, no matter how meticulously you plan or execute, there are bound to be occasional surprises. Hence, acknowledge uncertainty as an inevitable phenomenon and once you accept this as normal, you actually empower yourself to set the ball rolling in the desired direction.

For dealing with any adversity, the first thing that needs mention is, '**remain positive**'. Remember, when we are optimistic and hopeful, we apply our mind more objectively; we get less disturbed and distracted by noises and chaos around us. We manage the controllable better. On the contrary, when we are negative, the fear of uncertainty engulfs us. There is a huge conflict which goes within our brain cells and makes us nervous. You will be surprised to know that research study has demonstrated that '**negativity bias**' affects more than 75% of people, because they remain anxious even during good times. Frankly speaking, the circle of concern should never get magnified to such an extent that it reduces our capacity to perceive reality, accurately. One way to overcome this negativity bias is to use a well-recognized tool, known as '**self-talk**'. When we converse with ourselves, we remain more confident. Hoping for positive outcome, while working with integrity and resilience calms down our brain and thereby reduces the level of anxiety. Thus, for eliminating negativity bias, we must have control on our thoughts and believe in our potential - our skills and competencies.

Another very important aspect to be kept in mind is, uncertain times are perhaps the best times to slow down a bit and take a **tactical pause**. Many a times, you will realize that doing nothing, is actually doing something

more meaningful. When you take strategic pause, you allow your mind to observe and absorb things that are unfolding in front of you more clearly and this can help you chalk out your future course of action. Researchers confirm that people who take strategic time outs are more productive. They are the ones, who come out with better ideas and their performance are superior to others, who fail to take strategic pause. Furthermore, uncertain times create invaluable opportunity to cut down on some of our bad habits, which might have silently crept in during good and comfortable days of the past. These habits could include increase in discretionary expenses, skipping timely food and regular exercises, failing to spend quality time with family members and side stepping useful and healthy discussions with friends and relatives that have massive influence in expanding our vision.

Next in line is '**resilience**'. Resilience is the ability to come back to our normal state of mind after an adverse event. In adverse situation, one can approach a problem either with a pessimistic attitude or with an optimistic attitude. Find out, how others (whom you control), view you. Are you considered a genuinely optimist or a helpless pessimist? Generally speaking, pessimist people tend to view adversity as permanent and all pervasive. They get frightened of personal losses that might arise from these uncertain times whereas optimists view adversity as temporary, limited and external. Dig deep to discover, what is your '**locus standi**', is it internal or external? Do you remain calm and composed while faced with impending challenges or get overwhelmed by them? Find out how do you use past setback. Do you and your team feel stronger and fulfilled after every setback or end up being ridiculously nervous, puzzled and helpless? It is worthwhile to remain conscious that resilience is tested only when we venture out of our comfort zone. To make our team resilient, we need to inspire them; share what we are working on, what are our strengths and how the current challenges create an opportunity for

everyone's growth. Remember, when you help identify opportunities in uncertain times and figure out their individual hotspot, they can build on it. Another very important point to make a resilient team is, all members must possess baseline knowledge and as a leader, one must ensure the same. To transcend into a resilient leader, you must remain thoughtful of your style of leadership and comprehend following '**elements of your adversity quotient**', viz.:

- a) **Reach:** Ability to comprehend the scope of an adverse situation
- b) **Ownership:** Ability to decide and improve from adverse condition
- c) **Control:** Whether you have influence over what happens next and
- d) **Endurance:** Ability to grind through this condition and get to a desired outcome.

One of the supreme qualities of any leader is to remain **flexible and adaptable**. This will help him navigate through the challenges skillfully. When faced with adversity, a good leader remains curious that much longer. He surveys each step meticulously, asks questions, gathers minute details and is least fearful to accept that he does not have all requisite answers. He abstains from impulsive action like jumping to conclusion too soon. As he remains painstakingly vigilant, new facts start emerging, like, what went wrong, what steps or actions need to be altered or which area needs more resources, time and supervision etc. As situation changes, he evaluates how accurate was his original assumptions and identifies which specific parameter can be considered as a measure of future success or failure. He assesses all unintended consequences and takes corrective action, may be tweaking some processes or work schedules.

Decisions that are based on facts and figures, are much more effective, whereas spontaneous decisions are coupled with risk. Though one may argue that spontaneous decisions are absolute necessity especially, for getting an upper hand over one's

competitors, but a leader needs to be extremely cautious while making such impulse decision. To cope with the dilemma of ‘**spontaneity vs. thoughtfulness**’, a leader must assess both the aspects i.e. the kind of situation he is in and the type of thinking suitable for the same. Poor judgment occurs when this basic trick is faltered i.e. the situation and type of thinking are out of sync. There are two types of thinking, viz. ‘**System 1 thinking**’ and ‘**System 2 thinking**’. System 1 thinking are fast, automatic, instantaneous and unconscious whereas System 2 thinking are slow, effortful and controlled. If you really wish to be successful, internalize system 2 thinking. Things to contemplate here are a) stop multitasking, b) turn off mobile notifications during serious discussions, c) avoid very long meetings dealing with complex situation, d) allocate fixed time for food and rest and e) never rush to conclusion in an empty stomach.

To deal with uncertain situations, the leader must not be ‘**judgmental**’. He must, put himself in other’s shoes, sense their experiences and visualize how their lives have been impacted by unwarranted turn of events. Assess the fears and anxieties going through their mind and then introspect. Can you do something to put off some of their fears and make them feel assured? Remember, when you express ‘**empathy**’, you provide an antidote to people from their ‘**fight or flight tendencies**’, thereby enabling them to approach a problem with stable mind. Some of the other qualities that require mention are ‘**transparency and neutrality**’. Never get fixed to a static mindset. Don’t hesitate in sharing essential and timely information with your team. This will help you gain their ‘**trust**’ and establish an ‘**emotional bond**’. While dealing with uncertainty, never be opinionated. Be neutral to adverse findings and chalk out corrective action thoughtfully. Focus on ‘**what is right rather than who is right**’.

Do you recollect the famous quote, “**Failing to plan is planning to fail?**” You may ask, when things are uncertain how do you plan? Here, I

must admit that there cannot be any set recipe to deal with every kind of uncertain conditions that one is likely to face, but what you can definitely do is, prepare yourself well- with a torch or a candle and a match box in your hand, so that your journey is less frightening. Don’t oscillate between worries of past mistakes and anxieties of future outcomes. Remain in the present and focus on purpose. Instead of remaining emotionally attached to your own idea or plan, start with an open mind. It’s quite natural to falter occasionally, but you must be ready to rectify and move forward. You must keep going and keep growing too.

Navigating through unanticipated path is an intriguing subject and requires a high degree of proficiency. Define the problem as meticulously as possible. Share your vision and opportunity that lie ahead of these challenges. Don’t merely circulate a power-point presentation depicting the mission. Rather, narrate a small story with the stated vision so that it has that desired impact. List out what are the expected outcomes, but don’t stop there. Identify and recognize some unexpected outcomes as well. Note down, if then scenarios for each of these undesirable outcomes. When a team is formed with people from divergent functions, you can be sure of occasional resistance. Instead of being disturbed, identify and prepare yourself on likely ways to mitigate these resistances. To deal with uncertain times, acknowledge the power dynamics within the group and build a coalition among the willing. In nutshell, more you have clarity on the process ;less troublesome would be your journey. To have less ambiguity, you may lay down some of the ground rules like,

- a) what are your core values that you stand up for?
- b) what are the things that are non-negotiable? and
- c) what remains uncompromising?

Summarize what you care about as a collective unit. You must have a **Design Clarity Canvas**. You can even write down the ‘**Musts**’, ‘**Shoulds**’, ‘**Coulds**’ and ‘**Wonts**’. Remember, all these efforts will have a decisive influence

in your uncertain and ambiguous journey. To quote Bob Johansen, the distinguished fellow at the Institute of Future, “**Future will reward clarity but punish certainty.**”

Change is the only constant in this world. So, the crux is to remain mentally equipped for all uncertain events. When there are no options but to change, successful people will start with that serenity prayer, “**God, grant me the serenity to accept the things I cannot change, courage to change the things I can and wisdom to know the difference.**” Remember, in life the series of positive choices that we make creates success and the series of negative choices undertaken results in our failure. To keep pace with new challenges, align yourself to do more, to think more and to innovate more. Cut down on the reactive frame of mind and respond to situations after evaluating good, bad and the ugly. Concentrate on building positive relationship both in your personnel as well as professional life. Create that support system, where the fear of failure ceases to drive you into despondency. Remember the famous African proverb, “**If you want to run fast, run alone but if you want to run far, run together.**” **MA**

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ANALYSIS OF NEWLY INTRODUCED TCS PROVISIONS U/S 206(1H) OF THE INCOME TAX ACT, 1961

(w.e.f. 01.10.2020)



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INTRODUCTION:

In short, intention of legislative body behind expansion of scope of TDS & TCS is to speed up the tax collection & to avoid the tax concealment. Now a day, TDS & TCS provisions are acting as a good internal control system for avoidance of tax concealment and also acting as a tool for collection of tax during the previous year itself; i.e. the year in which income is earned.

Further today, the details of TDS/TCS get updated and gets viewed electronically in form number 26AS & the information being shown in form number 26AS has a good amount of validity & reliability because it has been uploaded by a third party, not by the assessee himself. Therefore information in form number 26AS acts as a third party evidence and hence it has more reliability, in the eyes of tax authority, professionals, assessee and many more.

Abstract

Tax deduction at source (TDS) & Tax collection at source (TCS) have widen their scope from time to time, based on identification of some areas where either speedy tax collection is needed or avoidance of tax concealment is highly needed. In line with this, w.e.f. 01.10.2020, the Government has introduced new provisions u/s 206C(1H) of the Income Tax Act, 1961, which deal with applicability of TCS in case of receipt from sale of GOODS in excess of Rs. 50 lakhs in a financial year.

Researcher has made an attempt to analyse the newly introduced provisions and dealt with its application in the practical market.

OBJECTIVES OF THE STUDY:

1. To understand the newly introduced provisions of TCS u/s. 206C (1H) of the Income Tax Act, 1961.
2. To analyse the newly introduced provisions of TCS u/s. 206C (1H) of the Income Tax Act, 1961.
3. To understand the application of the newly introduced provisions of TCS u/s. 206C (1H) of the Income Tax Act, 1961, with the help of case studies.

ANALYSIS OF SECTION 206C (1H) OF THE INCOME TAX ACT, 1961: Applicable w.e.f. 01.10.2020: (TCS)

1. First important clarification is that the provisions of 206C (1H) are applicable only in case of sale of GOODS. This provisions would not be applicable

to sale of services. Further it is important to understand the meaning of goods. Under the Income Tax Act, Goods are not defined anywhere but it is clearly defined under the CGST Act, 2017. Sale of **all movable items** would be covered.

Further as per the Sale of Goods Act, 1930, "goods" means **every kind of moveable property** other than actionable claims and money; and includes stock and shares, growing crops, grass, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale; & hence sale of immovable properties will not be covered under this provisions. Therefore for levy of TCS, firstly there must be sale of GOODS.

2. The said TCS provisions are applicable only if sale of goods to a particular buyer (PAN-INDIA) exceeds Rs. 50 lakhs during the P.Y. In short, the limit is required to be calculated per buyer-wise & per year-wise. It means sale of goods to all the branches of a particular buyer (PAN-INDIA) shall be taken in to consideration while calculating the limit of Rs. 50 lakhs.
3. Further to note that the above ceiling of Rs. 50 Lakhs is applicable only in respect of sale of GOODS. We may understand that while calculating the limit of Rs. 50 lakhs, sale of GOODS only shall be considered. Sale of services should be ignored even while calculating the limit of Rs. 50 lakhs. Further as discussed earlier, TCS liability shall not arise on sale of services. Therefore, at applicability level (i.e. for limit of Rs. 50 lakhs) & at the time of charging TCS (i.e. for applying rate of TCS on amount of sale in excess of the limit of Rs. 50 lakhs), sale of services (provision of services) should

be ignored at both levels.

4. While calculating the limit of Rs. 50 lakhs for FY 2020-21, sale of goods transactions carried out during the entire F.Y. 2020-21 shall be required to be considered. Therefore sale of goods made from 01.04.2020 to till date should be considered while calculating the limit of Rs. 50 lakhs for calculating the liability of TCS during F.Y. 2020-21.
5. **Further as clarified by CBDT dated 29.09.2020 & Press Release dated 30.09.2020** clarifying doubts on new TCS on Sale of Goods under section 206C (1H), TCS liability would arise even on the amount received on or after 01.10.2020, in respect of sales transactions carried out before 01.10.2020. Therefore, we may conclude that if sale of goods made from 01.04.2020 to 30.09.2020 would not be liable to TCS if its consideration has already been received before 01.10.2020. If its consideration is received on or after 01.10.2020, it would be liable to TCS under this section.
6. We may further interpret that the limit of Rs. 50 Lakhs will work as a standard deduction per buyer as well as per annum. TCS liability would arise only on the amount in excess of Rs. 50 lakhs.
7. Seller means a person whose total sales, gross receipts or turnover from the business carried on by him exceed Rs 10 Crore rupees during *the financial year immediately preceding the financial year in which sale of goods is carried out*. Therefore we may observe that applicability of this provisions needs to be examined on year to year basis. Further to note that this section is not applicable to small sellers having turnover less than Rs. 10 crore during the last year.
8. Very important to note that this section would be applicable

only in case of business, it would not be applicable in case of profession. Therefore turnover of business shall be required to be reckoned while calculating the limit of Rs. 10 crore.

9. Further we may analyse that to become an eligible seller, the word used are "TOTAL SALES, gross receipts or turnover". Important to note that while calculating the limit of Rs. 10 Crore, sale of goods as well as sale of services, both should be considered. Therefore we may conclude that while calculating the limit of Rs. 50 lakhs, sale of goods only is required to be considered. However while calculating the limit of Rs. 10 crore, to become an eligible seller, total sales of goods and sales of services are required to be considered.
10. In addition to the above, we have to understand that the word "total sales, gross receipts or turnover" shall be inclusive of GST as clarified by CBDT dated 29.09.2020. Further as per section 145A of the Act, it is to be considered as inclusive of GST. In addition to this, the word used is "consideration". Therefore it has to be inclusive of GST.
11. One needs to collect TCS at the specified rate (0.075% till 31.03.2021 & thereafter 0.1%) at the time of RECEIPT of the consideration on the amount exceeding Rs. 50 lakhs. Under this section, the liability will get triggered at the time of receipt of consideration. Therefore it is very difficult to have a complete track in case of part payment, in case of merged payment for goods & services, etc. For easy compliance, we may follow the invoice method.
12. Higher rate of 1% shall be applicable if no PAN/ADHAR is furnished by a buyer. No concession is provided due to Covid-19.

13. The benefit to apply for Lower rate U/s. 197 of the Act, is not available under this section. Therefore the specified rate of 0.075% till 31.03.2021 & thereafter 0.1% would be applicable.
14. Export of goods from India is not covered under this section. The language used in the section clearly reveals that deemed export (sale of goods to SEZ units) would be liable to TCS.

CASE STUDIES:

1. There is a sale of goods to a single party during a period from 01.04.2020 to 30.09.2020 for Rs. 49 lakhs & full consideration is also received before 01.10.2020: In this case, TCS would not be applicable on this amount because payment is received before 01.10.2020 as clarified by CBDT dated 29.09.2020 & Press Release dated 30.09.2020.
2. There is a sale of goods to a single party during a period from 01.04.2020 to 30.09.2020 for Rs. 49 lakhs & full consideration is received on or after 01.10.2020: In this case also, TCS would not be applicable on this amount because the limit of Rs. 50 lakhs is not crossed. (Press Release dated 30.09.2020).
3. There is a sale of goods to a single party during a period from 01.04.2020 to 30.09.2020 for Rs. 51 lakhs & consideration is also received before 01.10.2020: In this case, TCS would not be applicable on this amount because payment is received before 01.10.2020 as clarified by CBDT dated 29.09.2020.
4. There is a sale of goods to a single party during a period from 01.04.2020 to 30.09.2020 for Rs. 55 lakhs & consideration is received on or after 01.10.2020: In this case, TCS would be applicable on the amount of Rs. 5 lakhs only because the excess amount over and above the limit of Rs. 50 lakhs is liable to TCS. In this case, we have to raise a debit note/invoice for the amount of TCS (0.075% of Rs. 5,00,000).
5. There is a sale of goods to a single party during a period from 01.04.2020 to 30.09.2020 for Rs. 55 lakhs & consideration is received before 01.10.2020 is Rs. 52 lakhs & balance of Rs. 3 lakhs is received on or after 01.10.2020: In this case, TCS would be applicable on the amount of Rs. 3 lakhs only because the excess amount over and above the limit of Rs. 50 lakhs is liable to TCS & payment received before 01.10.2020 is not liable to TCS as clarified by CBDT dated 29.09.2020.
6. There is a sale of goods to a single party during a period from 01.04.2020 to 31.03.2021 for Rs. 49 lakhs & consideration is received before or after 01.10.2020: In this case, TCS would not be applicable on this amount because TCS would not be applicable on this amount because the limit of Rs. 50 lakhs is not crossed during the financial year 2020-21.
7. There is a sale of goods to a single party during a period from 01.04.2020 to 31.03.2021 for Rs. 55 lakhs & consideration of atleast Rs. 5 lakh received after 01.10.2020: In this case, TCS would be applicable on the amount of Rs. 5 lakhs only because the excess amount over and above the limit of Rs. 50 lakhs is liable to TCS. In this case, we have to raise a debit note/invoice for the amount of TCS (0.075% of Rs. 5,00,000).

SUGGESTIONS:

The said provisions should be linked with date of invoice, rather than date of receipt of consideration for the following reasons:

- A. Business entities can avoid the detailed working in case of

part payment received against various invoices.

- B. Further charging of TCS on the invoice will have a good control from business entities view point.
- C. Calculation of the limit of Rs. 50 Lakhs becomes very easy.
- D. Further it would be matched with 26AS & thereby Government & business entities can have a good control over proper compliance & the very purpose of avoidance of tax concealment behind introduction of TCS on sale of goods can be achieved.
- E. If TCS is an invoice linked levy, then sale of goods can be crossed tallied even with GSTR-1 of the seller & GSTR-2A of the buyer after excluding a standard limit of Rs. 50 Lakhs.

CONCLUSION:

Introduction of this TCS provisions with very wider coverage and with very lower rate seems to act as a weapon of good internal control system, rather than as a weapon to collect tax on accrual basis at early stage. The legislative intention is very clear & wider with the introduction of TCS across sale of all types of goods. It further gives a signal that it may work as a better tool for collection of tax at early stage in days to come. MA

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ROLE OF FINANCIAL CONCURRENCE IN PUBLIC SECTOR UNDERTAKINGS (PSUs)



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Abstract

There are different departments in Public Sector Undertakings (PSUs), but Finance Department plays a very key role and its finance/accounting functions, ensures that the procedures, rules and regulations are followed in line with the processes and defined government guidelines. In an organization, finance department has number of wings or branches to take care of all activities such as establishments, billings, payments, taxation, commercial etc. along with one of the important activities is concurring the proposals received from various department of the organization. In a public sector undertaking, a separate department exists named as Finance Concurrence Department (FCD). We need to understand here the meaning of financial concurrence and the role of FCD.

The objective of financial concurrences is to protect financial interest in decision making while ensuring financial propriety as a part of internal control system. The internal control is exercised through the vetting and concurrence by finance department so that decision making is in accordance to the policies, guidelines, rules, regulations, provision of budgets etc. and to ensure the decision is beneficial to the company.

Introduction to Public Sector Undertaking:

In 1954, while inaugurating the Bhakra Nangal dam, the then Prime Minister Jawahar Lal Nehru christened it as the “temple of modern India” and so were born Nehru’s “temples” – public sector

undertakings (PSUs) – that took the onus of making India self – sufficient.

Before independence participation of public sector undertakings in economic development of the country was almost nil. The Railways, Posts and Telegraphs, Aircraft,

Port Trusts, Ordnance factories were the only undertakings under government control.

It was only after Industrial Policy of 1956 that public sector undertakings got a fillip and the socialistic pattern of development adopted by the government also encouraged

the settings up of public undertakings.

Public sector undertakings play a dominate role at present. These undertakings include departmental enterprises, financial institutions and non-departmental enterprises or government companies.



It was in 1948 that India got its first PSU in the form of ITI (Indian Telephone Industries Ltd). There has been appreciable growth in investment in Public Sector Enterprises (PSEs) over the years. In 1951, there were **only 5 public sector enterprises** with an investment of **Rs. 29 crores** which has increased to 348. These enterprises represent **total investment of Rs. 16,40,628 cr. as on 31st March, 2019 and paid up capital as on 31st March, 2019 stands at Rs. 2,75,697.00 cr.** CPSEs have earned revenue of **Rs. 25,43,370 cr. during financial year 2018-19** in the different core sectors: Steel, Mining, Non-Ferrous Metals, Power, Fertilizers, Refineries, Petro Chemicals, Machine Tools, Shipping, Paper, Cement, Sugar, Construction and etc. These CPSEs are administered by the **Ministry of Heavy Industries and Public Enterprises**.

These CPSEs are further classified in to Maharatna, Navratna, Miniratna Category – I and Miniratna Category – II.

The PSEs have also been making substantial contribution to augment the resources of Central Government though payment of dividend, interest, corporate taxes GST and etc.,

thereby helping in mobilization of funds to meet financing needs for planned development of the country.

Financial Concurrence:

Objective of the study:

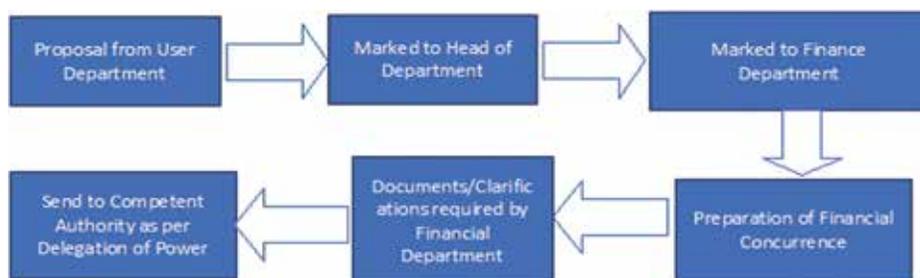
1. To identify best practices for financial concurrence & vetting in order to reduce lead – time.
2. To understand the need of financial concurrence.
3. To study the delegation of powers as applicable to the executives of the company & related process of financial concurrence.

Financial concurrence – to examine the proposal from the financial point of view. Financial Concurrence is done by keeping in mind the cannons of financial proprietary.

If the Finance department does not agree or is not in concurrence with any proposal received from any department, it specifies the reasons thereof and if it agrees (with some reservation), it puts the comments along with the suggestions to be followed by the concerned executing department.

Work Steps:

Process Flow Chart of Estimate Vetting & Financial Concurrence:



Following matters Requiring Financial concurrence:

1. Budget:

- ⊙ Capital & Revenue Budget
- ⊙ Re-Appropriation of Capital & Revenue Budget

2. Capital Investment:

- ⊙ Proposal for Capital Investments in new schemes & Revised Capital Cost of the approved schemes.

3. Works, Purchases & Sales

- ⊙ Estimates for works/ Purchases.
- ⊙ Evaluation and acceptance of tenders including commercial terms & conditions.
- ⊙ Issue of works / Purchase orders
- ⊙ Negotiation with tenderers regarding price and / or the terms and conditions of the contract (subject to CVC guidelines/clarifications).

4. Claims, Write offs & Waives.

- ⊙ Referring disputes for arbitration or initiating court cases.
- ⊙ Settlement of disputed claims outside the court of law
- ⊙ Grant of compensation to any party (excludes statutory requirements)
- ⊙ All write off of losses, book debts, claims, recoverable and advances.

5. Personnel:

- ⊙ Proposals involving variations with reference to the existing wages structure, emoluments, perquisites and service rules including negotiations with Unions on such matters.
- ⊙ Sanction of receivable advance to employees in excess of budget provisions.
- ⊙ Payments of employees in respect of matters not covered by specific rules including ex-gratia payment.

6. General:

- ⊙ Expenditure on publicity schemes
- ⊙ Contribution to external agencies
- ⊙ Hiring of office accommodation, plant & machinery etc.
- ⊙ Advance payment to outsiders with or without security.
- ⊙ Disposal of materials – surplus or otherwise.

Some Financial concurrence events in Finance Department:

Finance Concurrence in Procurement Proposal:

Sl. No.	Activity	Finance Concurrent to Examine
1	Indents and Approval	Requirements along with criteria of Urgency, approval as per DOP.

2	Budgets approval	Proposed expenditure as per approved budget or not, approval if required to be obtained.
3	Tendering	Process as per requirement being followed or not.
4	Standardization / R/C	In case of repetitive procurements of items, process of rate contract or standardization followed or not. Specific approval required.
5	Estimated Cost	Basis, supporting documents, correctness either of lump sum amount or unit rates.
6	DOP	Proposal to be strictly as per DOP.
7	Negotiation and award	Reasons for negotiation fulfilment of guidelines issued and award to be placed as per approval.

Finance Concurrence in Handling and Transportation Contract:

Sl. No.	Activity	Finance Concurrent to Examine
1	Indents and Approval	Requirements along with criteria of Urgency from Area Office and approval as per DOP.
2	Budgets approval	Proposed expenditure as per approved budget or not, approval if required to be obtained.
3	Tendering	Process as per requirement being followed or not. If followed tender process giving to paper advertisement.
4	Standardization / R/C	In case of repetitive works, standardization process will follow.
5	Estimated Cost	Basis, supporting documents, correctness either of lump sum amount or unit rates.
6	DOP	Proposal to be strictly as per DOP.
7	Negotiation and award	Reasons for negotiation fulfilment of guidelines issued and award to be placed as per approval.

Kindly note that the DOP shall be approved by the Chairman and Managing Director from time to time keeping in view the requirement and functioning of the internal departments.

From the above, it can be seen that finance concurrence

department's functions are:

- ⊙ To ensure the compliance of systems, procedures envisaged in the contract/procurement policy.
- ⊙ To strictly adhere to delegation of power of the company.
- ⊙ To see the financial correctness, and
- ⊙ To see any impropriety in the proposal.

However, FCD does not put any break in the working of the organization, rather suggest for smooth working and proper compliance in case of any deviations. Sometimes, the finance concurrence is correlated with internal audit or government audit.

But it may be noted that the functions are not exactly the same for all these departments. There may be a few similarities in the functions but the activities as well as objectives of all these departments are different and independent.

Importance of Financial concurrence:

Financial concurrence department should not be given less importance in an organization. Even appointment of an officer in this department requires due diligence.

Pressure always remains on this department since the office has to ensure that procedures, policies of the company are being followed and proposals are made by the relevant department from propriety point of view in addition to financial correctness as well as with fair evaluation.

This is inspecting of the fact that proposals cannot be stopped, rather suggestions are to be forwarded to the competent authority for further implementation. This is the department which puts forward lacunas, if any and recommends the options for the higher authorities to take

care of while approving the proposals.

Further it may be said that the recommendation given by the FCD in the proposals are tools for the internal audit for their detailed examination.

Conclusions:

In order to avoid duplication of jobs the following shall not be within the scope of financial concurrence and the project initiating department / agency shall be wholly responsible for:

1. Arithmetical accuracy of all calculations indicated in the proposals.
2. Factual accuracy of technical analysis and assumptions thereof as indicated in the proposal.
3. Factual accuracy of technical, statutory requirements and their compliance like explosive rules, factory act, Environmental acts, various safety rules.
4. To give technical support to FCD wherever needed.
5. The management to assure that FCD holds monthly interactive meetings to be consistent in all similar type of proposals. **MA**

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INDIAN START-UPS: ISSUES, CHALLENGES AND OPPORTUNITIES



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Abstract

Increasing competition is one among the various factors that has led to the rise of self-employment consciousness among the young generation in India. Over the recent years start ups have become the flavor of season in Indian markets due to its tremendous population which provides large potentiality of job markets in India towards job creation and promoting entrepreneurship in India. For India's transformation start ups, technology and innovations act as effective instruments. Interestingly, every year more than 800 technology start ups are being set up in India. By this 2020, it is estimated that around 11,500 tech-start ups are going to be established with employment potential of around 250,000 technical people (NASSCOM, 2015). India is becoming a start up nation with the emergence of number of home grown start ups across the country with business favorable environment. Today, India is amongst the top five countries in the world in terms of start ups. Start up India is such an ambitious initiative which is accelerating and revolutionizing start up movement in India. Self Employment and Talent Utilization Fund (SETU) scheme acts as a major accelerator towards promoting start ups in the country. However, as each coin has two sides, there are also various constraints faced by the start up businessmen in India along with ample of opportunities. This Paper aims to investigate the challenges and Opportunities in the way of start ups in India. This paper has an intent to explore the major issues or difficulties faced by startups in India, and discuss the various opportunities of start ups in India by using a literature-based analysis.

Introduction

Start-ups are pillars of Economic Growth involving innovation with Technology which strengthens the economic benefits for the Economy. Existing frameworks in India are inadequate to fulfill the aspirations of its population and become a Global Power. Start-ups and Entrepreneurship has a key role to play in making a country as a Knowledge Super power. Number of factors drive Indian start-up ecosystem such as huge funding, advancement in technology, demographic transition etc which paves the way to young start-ups. The Digital revolution in India along with the start-up evolution is important in transforming India. India in recent years has become the major technology hotbed which offers fascinating opportunities for emerging companies to thrive and establish themselves in the world with their Innovative ideas and Disruptive approaches.

Review of Literature

¹ **Surabhi Jain (2016)** aimed at the growth and prospects of start-up ecosystem in India. While beginning with critical analysis of the concept of a start-up. This article speaks about the launch of start-ups initiatives in India, need for start-up ecosystems in India and various action plans formulated for start-up India in 2016 like funding support, tax holidays, building innovation centers, research parks etc. In the conclusive part Jain opined that innovation plays an important role in start-up ecosystem as well as massive industrialization which are in turn results in expanding per capita income of a country. It speaks about problems faced by Indian. In order to avoid this situation, government, Corporate and educational institutions have a role to play like mentor programmes, workshops, seminars etc. ² **Sunita Sanghi and A. Srija (2016)** discuss about demographic transition of India and contradiction of workplace in the structural transition and highlights about importance of Self-Employment. They investigated the roots of Entrepreneurship in India since pre-independence and post-independence

period. They mention about ample of problems of Indian start-ups and the need to promote it in both urban and rural areas. This paper speaks about various schemes implemented by different organizations and institutions. Creation of Self- Help Groups forms main part. The concept of Start-ups and Start-up revolution is discussed along with the latest policy initiatives for start-ups introduced by the Government of India like MUDRA, SETU, AIM, Digital India etc. This paper concludes that these initiatives created start-up ecosystem and thus increased the scope of self-employment. ³ **Mukti Narayan Pidiha and Rachana Singh (2016)** highlight the challenges and prospects of start-up India, stand-up India. It begins with the concept of Entrepreneur and its roots. They showcase the challenges for Indians in starting new business such as Financial and social challenges etc. They also discussed about the future prospects of Entrepreneurship in India with the intervention of central, state governments and large companies. Plan of Action are presented from the point of view of Government such as training and development, media campaigns, promoting rural entrepreneurship, improving infrastructure, monitoring mechanism etc. The conclusive part highlights about economic contribution of entrepreneurship and country's economic policy for its economic growth. ⁴ **Mohammed Habeebuddin and D. Sakriya (2017)** highlights the issues and challenges for Indian start-ups and also discloses various benefits available to the start-ups and opportunities like Indian demography, unique set of Indian Problems like health, education, sanitation, infrastructure etc for Indian start-ups because of their enormous transformation. Ample of challenges identified for Indian start-ups in this paper are regarding culture, mentorship, policies, hiring, funding, social issues, consumer behavior changes, technological infrastructure issues, sustainability issues, regulatory issues, taxation issues etc. ⁵ **Kamaldeep Kaur (2017)** explores the opportunities and investigates the challenges of Indian Start-ups by

Globalization as key factor in the Indian Economy. Author discusses about a start-up ecosystem – its elements and demographic information. Kaur gives vivid explanation regarding Indian start-up business challenges such as critical Government clearances, perplexity and expending huge time in making assesses installments to the Government due to different taxes, absence of mentorship and legal direction, particularly about rewards and hazards etc and it also explores various opportunities in start-ups keeping youth in major place who are responsible for transforming India into a super power. Finally it concludes with the remarks that new start-ups are contracting in recent years for which funding acts as a major concern along with above mentioned issues which are to be taken care by the Government. ⁶ **Manu Tyagi and Namita Mishra (2019)** defines about start-up venture and gives brief note about origin of start-up initiatives by Government and the current scenario about start-ups in India which constitute Engineering start-ups as major one in technology based start-ups. They speak about various issues and challenges of start-ups and opportunities for start-up in India like population, mindset in working class and huge investments in start-ups.

Indian Market has predicted the supremacy for startups exceptionally in online retailing as well as service industry in 2016. Furthermore, it is forecasted that there will be over 11,500 startups by 2020 which will alter the way markets are functioning presently. Besides, the environment in India is favorable for great accord of entrepreneurship opportunity for starting own ventures. Today, India stands at fourth position in providing startup ecosystem followed by USA, UK and Israel.

Statement of the Problem

The above literature points out the fact that studies have been made on Indian startups like problems and consequences faced by the Indians on account of starting new business. Most of the studies focused on programmes, procedures etc. Since there is no studies has not been done

so far, on exactness of challenges faced by the businessmen and what are opportunities are exist in India. In this article we try to find out issues, challenges and what do the opportunities (government initiatives) exist for Indian aspirants. Hence, the study is undertaken to fill the research gap.

Objectives of the Study

1. To identify the issues and challenges faced by Indian start-ups.
2. To analyze the opportunities for Indian start-ups

Research Methodology

The study is mainly based on secondary data and descriptive in nature. Hence, the study has been carried out by referring various journal articles, newspapers and websites etc

⊙ Major Issues and Challenges for Startups

1) Lack of Financial Assistance

Availability of finance is critical for startups and is always a problem to get sufficient amounts. A numerous options ranging from loans, etc. the requirement of more cash starts increasing as the business progress. Proper finance management is critical for the successful of startups in India.

2) Lack of Supporting Infrastructure

Infrastructure is also required for good startups. There are number of support mechanisms that play a significant role in beginning of startups. Lack of access to such supporting infrastructure mechanisms increase the more risks in startups in India.

3) Changes in Government Policies

Starting a business require a number of permissions from the concerned governments departments. It is still big task to register a business or new entity. Regulations pertaining

to intellectual property rights, labor laws etc. business are rigorous in India which takes about 30 days to comply compared to just 9 days in OECD countries. Also as per World Bank report, “world bank ease of doing business” India ranks 142 out of 189 economies (Mittal, 2014)

4) Lack of Guidance/ Mentorship

Lack of adequate guidance/mentorship is the bigger challenge which could bring a potentially good idea to an end. Lack of proper guidance that exist in the Indian startup ecosystem. Most of the startups have excellent ideas, products, but brilliant idea works only if executed promptly and properly.

5) Expectations of the Customers

Indian startups come up with a service to be able to match up customers expectations. Innovations play a pertinent role in Indian startups. Since that the startup has to fine tune the product offerings to suit the market demands. Also, the entrepreneur should have deep domain knowledge to counter competition with appropriate strategies or executed plans. Due to new technologies that are emerging the challenge to provide over and above an earlier innovation is pertinent.

⊙ Opportunities for Indian Start-ups

India is at a pace to become Start-up Nation with the launch of Start-up India initiative on 16th January 2016 in New Delhi by the Prime Minister Shri Narendra Damodardas Modi. Many factors have gathered for promoting start-ups and enable them to flourish globally in the recent decade and they witnessed enormous growth in spite of several challenges faced by young entrepreneurs which can be eliminated by

involvement of Government. In India, People prefer Government jobs over private jobs because of Job security but in recent days several multinational companies influenced the people greatly with their high pay scales and good perquisites. Globalization was one among the various factors that influenced the rise of entrepreneurship in India because of which economy is going through enhancement of start-ups and their contribution to the economy.

1) India’s Population has Unfolded new Doorways

Indian Population can be described as the gigantic asset because by 2020 it is intended that country will encounter a period of “Demographic Dividend” in which non-working population would be excelled by the working population as a result of which substantial moment will be offered to an organization or a firm exasperating to become victorious and generate commanding position in the Indian Market. The budding and cluttered stage of infrastructure in India has been identified by the entrepreneurs that is giving a gigantic opportunity to attempt to digitize collocate various segments.

2) Many Students opt for Entrepreneurship

The talented students recruiting trend in IITs and IIMs always makes a buzz because of the higher packages offered to them. These students either get placed in the startup or choose for campus recruitment itself, due to their increasing interest to initiate their new ventures.

3) Talent is Willing to work with Startups

Many talented people are coming forward to work with Startups having challenging works, big funding which gives great packages thus

breaking traditional career paths making startups a very attractive profitable place. Progressively, a tendency is observed where many middle level officials are quitting their jobs at big corporations to work in startups. Even ample of startups are taking bold steps to captivate best talent in the world. A survey by Economic times stated that students joining startups and e-commerce businesses have increased extensively.

4) **Huge Investments in Startups by Indian and Foreign Investors**

Through huge investments from Indian and foreign investors, Startup ecosystem is getting huge support to grow. In 2015, Indian startups have raised around Rs. 42,300 core from investors with around more than 300 deals. The top Foreign investor in India is New York-based Tiger Global Management followed by the Russian Company- DST Global, Japanese telecom giant Softbank, Kalaari capital, Sequoia capital and Accel Partners.

5) **Funding for Startups by the Government**

There are various government and semi-government initiatives launched to help startups in performing and sustaining in domestic as well as Global market. The biggest courage and help for young entrepreneurs in India is the Funding by Government of India.

6) **Startup India Initiative**

This initiative is launched by the honorable Prime Minister of India Shri. Narendra Modi which provides a great comfort and assistance and break from traditional License Raj of India and includes 3 years tax and compliance breaks proposed to eliminate burdensome government regulations and red tapism.

1. **Make in India Initiative**

Make in India by Government includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property and build best-in-class manufacturing infrastructure. This has also helped to ease the process of starting a business and doing everything hassle free by not only encouraging manufacturers, but also Indian buyers to invest and trust in Domestic Brands.

2. **MUDRA Yojana**

Generally small entrepreneurs find it difficult in getting finance to fund their businesses as large collaterals will be asked by the banks for which they become unsustainable. Although, through this scheme small entrepreneurs will easily get loans to set up, grow and stabilize their businesses from banks.

3. **Atal Innovation Mission (AIM)**

This was launched by the then Finance Minister of India Mr. Arun Jaitley during the budget 2015 and is set up by NITI Aayog which involves academicians, entrepreneurs and researchers utilizing national and international experience to promote a culture of Innovation and entrepreneurship in the country and Research and Development in India particularly in technology oriented areas. Components of AIM are Atal incubation centres, Atal Tinkering Laboratories, Atal Grand challenge Awards and Scale up support to established incubation centres.

4. **Self Employment Talent Utilization Fund (SETU)**

This is launched by NITI Aayog in 2015 to facilitate the growth of startup firms

in which Rs. 1,000 crore has been allotted to create opportunities for self-employment and fresh jobs mainly in technology-driven domains. The aim of this program was to create 100000 job opportunities across the country through startups.

5. **E- biz Portal**

It integrates 14 regulatory permissions and licenses at one source. It is launched by the Government to reduce difficulties in setting up new businesses. This portal usage enables faster clearances and improves the ease of doing businesses in India.

6. **Royalty Tax**

The then Finance Minister Mr. Arun Jaitley reduced the Royalty tax payable by businesses and startup firms from 25% to 10% with an aim to make cost o technology more affordable and accessible.

7) **Patent benefits**

Under the scheme for startups intellectual property protection, patent applicants have received the benefits up to 80% rebate in patent fees and free legal assistance. Startups have also availed benefit of fees rebate in expedited examination filing fees(Form 18(A)), Trademark rules 2017, has been recently amended to provide 50% rebate in Trademarks filing fee to startups. Overall more than 2,000 startup cases have been facilitated under this scheme.

8) **Learning and development module**

Startup India has launched on interactive online learning and development module to educate startups and aspiring entrepreneurs. Over more than 2, 30,000 applicants have signed up for the course, out of which more than 10,000 applicants have

completed 100% of the course successfully.

9) Startup India Yatra

The startup India Yatra is a platform which aims to help entrepreneurs (especially from non-metropolitan cities) realize their startup dream. The startup India yatra aims to reach each and every district of the country so far, startup India yatra has been conducted in 12 states of India.

10) Startup India Hub

Startup India online Hub was launched to serve as an online platform where all the stakeholders of the startup ecosystem can collaborate and synergize their efforts. The hub has handled more than 1, 14,000 queries from startups through telephone, E-mail and Twitters etc.

Conclusion

Startups may be small corporations but they can play a big role in economic growth and strength of the nation. They create more employment opportunities to unemployed generations. Not only that, startups can also contribute to economic dynamism by spurring innovation and injecting competition. The present study found that startups can avail

more opportunities to overcome the challenges and problems faced by the Indian entrepreneurs through effective startup plans. The study finally concludes that the Government through this initiative aims to empower startups to grow through innovation and design and accelerate spreading of the startup movement. **MA**

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OBITUARY

CMA C V Mathews aged 92 years passed away on 19th October 2020. He was one of the founder member of ICAI-Trivandrum Chapter. He was the Secretary of ICAI-Trivandrum Chapter during the pre-recognition period of 1969-70 and 1970-71. He decorated the post of Chairman during 1976-77 and also held the post of Secretary during the post recognition period of 1971-72, 1978-79, 1979-80 and 1981-82 terms. CMA C V Mathews was a man of integrity, honesty, dedication and was the driving force behind the formation of ICAI-Trivandrum Chapter and the contributions made by him towards the development of CMA Profession will always be remembered. God let his soul rest in peace.

IMPLEMENTING BALANCED SCORECARD AS STRATEGIC PERFORMANCE MEASUREMENT AND MANAGEMENT TOOL IN FINANCIAL SECTOR - A STUDY OF PUBLIC SECTOR BANKS IN INDIA



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Abstract

The present study exhibits the performance of 10 Public Sector Banks in India on Balanced Scorecard and provides suggestions to achieve long term sustainability, competitiveness and profitability. To attain the said objective, a Balanced Scorecard Model has been developed with integrating social and environment perspective. Data have been collected through secondary sources and Kruskal Wallis test has been applied to test the hypothesis. It has been found that all public sectors banks have a declining trend in their performance during the studied period and there is no significant difference among all public sector banks on Balanced Scorecard. To achieve the long term goals of Sustainability, public sector banks should adopt Balanced Scorecard as their strategic performance and measurement system and try to measure, analyse and improve their performance on all key factors to success.

Introduction:

Growing criticism of financial measures alone in performance measurement systems and increased importance of integrating the intangible measures with financial ones has directed the development and modifications of different approaches for performance measurement systems of organizations. Contemporary performance measurement systems are aimed at evaluating the performance of organizations on key strategic operational areas of success combining both financial and non-financial aspects. These systems help in detecting the critical areas of improvement for enhancing overall performance. In banking sector, intangible factors like satisfied and delighted customers, quality services, innovative high-tech products and services, operational excellency, intellectual capital, employee satisfaction etc. play strategic role in achieving success. Measuring their performance on financial aspects is not sufficient, appropriate and reliable. It is inevitable to implement a comprehensive performance measurement tool to evaluate and improve the performance of banks so that a true picture of their performance can be revealed and it can help them to achieve their long term goals of sustainability, profitability and competitiveness. A tool propagated by Kaplan and Norton in 1992 named Balanced Scorecard is a significant strategic performance measurement and management system which measures and manages the performance on key strategic perspectives of Financial, Customers, Internal Business processes and Learning, Growth and Innovation Perspective.

This study is an initiative for evaluating the performance of Public Sector Banks in India using Balanced Scorecard. In this study one more perspective i.e. Social and Environment Perspective has been incorporated alongwith the four perspectives of Balanced Scorecard and then the performance of banks

have been evaluated.

Review of Literature:

For identifying the research gap various studies, reports, research papers, articles, conference proceedings etc. have been gone through. Few are as follows: Annapura & Manchala (2017) measured the performance of ICICI, HDFC and Axis bank on four perspective of Balanced Scorecard and found a significant difference and suggested to improve performance on each perspective to improve overall performance. Kasasbeh (2018) explored that 30.7% Jordanian Commercial Banks were the full implementer of BSC and identified problems like lack of support of top management, different organization culture, technical issues, political issues, and conceptual issues etc. which are associated with implementation of BSC. Nnamseh & Umoh (2019) found that Customer & Internal Business Process Perspective had a significant impact on Bank's performance in Nigeria so banks should adopt a BSC model to measure, manage & report their performance in order to improve competitive position. Turshan and Karim (2020) recognized that BSC model helped in improving performance of banks in Palestine so they suggested to implement BSC as an integrated strategic performance management system.

Research Methodology:

A. Objectives of the Study: -

To examine and compare the overall performance of Public Sector Banks in India using Balanced Scorecard Model and provide suggestions for improvement in the overall performance of banks.

B. Sample Size: - 10 Public Sector banks constitute the sample of the study which has been selected on highest market capitalization in BSE Sensex.

C. Study Period: - To reveal the trend in performance of banks over a longer time period, 10

consecutive financial years from 2007-08 to 2016-17 have been selected.

D. Data Collection: This paper is based on secondary data which have been primarily compiled through annual reports, sustainability reports and Business responsibility reports and publications from RBI.

E. Hypothesis of the Study: To draw conclusion on inter-bank performance, following hypothesis has been framed:

H_0 - There is no significant difference in the Overall Performance among Public Sector Banks.

F. Balanced Scorecard Model Used: A Balanced Scorecard Model has been developed to measure the performance of banks by keeping in view the basic model given by Kaplan and Norton, the common strategic objectives of banks in India, perspectives and measures introduced in previous studies in banking sector etc. For this thorough review of available literature and vision & mission statements of Indian Banks and their objectives have been done.

G. Scoring, Ranking and Grading of Performance of Banks on Balanced Scorecard

Scores for each measure under each perspective have been assigned on the basis of performance scale. Maximum scores assigned to each perspective are 400 i.e. 50 Score each measure X 8 measures. Therefore total maximum score for overall performance on BSC are 2000 i.e. 400 Score X 5 Perspectives. Total scores gained by the banks have been converted into percentage and graded on the basis of following Table:

Scores (In Percentage)	Grade
More than 80%	Excellent
More than 70%	Very Good
More than 60%	Good
More than 50%	Satisfactory
Less than 50%	Poor

H. Statistical Tools & Techniques:

Kruskal Wallis test under non-parametric test has

been applied using IBM SPSS22.

J. Limitations of the Study:

1. The study is completely based on secondary data.
2. Measures for which the information was not available have been excluded which might have affected the results of the study if incorporated.
3. The study is confined to public sector banks only.

Data Analysis and Interpretation:

1.1 Inter-bank Comparison of Public Sector Banks on Balanced Scorecard

Table: 1 Performance Score of Public Sector Banks on Balanced Scorecard

Name of the Bank/Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Average Score	Rank
State Bank of India	1000	1060	1000	1100	1230	1300	1300	1390	1460	1480	1232	1
Bank of Baroda	860	940	1030	1110	1110	1120	1190	1130	1050	1200	1074	3
Punjab National Bank	900	1020	1040	1170	1110	1120	1130	1120	1130	1190	1093	2
IDBI Bank	810	890	990	1020	990	910	890	1070	980	1020	957	8
Canara bank	750	990	1050	1110	990	1030	1180	1160	1120	1170	1055	4
Bank of India	970	950	940	1050	940	1070	1130	1050	1070	1130	1030	5
Indian Bank	830	890	1010	980	990	940	1010	980	1000	1140	977	7
Central Bank of India	820	770	940	890	790	950	850	930	900	980	882	10
Union Bank	860	860	970	970	920	1080	1060	1070	1130	1150	1007	6
Syndicate Bank	820	780	780	880	920	990	880	1060	940	980	903	9

Table 2: Mean Ranks and Results of Kruskal Wallis Test of Public Sector Banks

Name of the Bank/Year	N	Mean Rank	Chi-square	Degree of Freedom	p-value	Null Hypothesis Accepted/Rejected
SBI	10	81.7	45.020	9	0.000	Rejected
BOB	10	64.7				
PNB	10	70.35				
IDBI	10	35				
Canara bank	10	65.15				
BOI	10	54.35				
Indian Bank	10	41.85				
CBI	10	19				
Union Bank	10	48.6				
Syndicate Bank	10	24.4				

Major Findings: Above Tables display that

1. State Bank of India followed by Punjab National Bank and Canara Bank performed the best on Balanced Scorecard as the mean rank is the highest i.e. 81.7, 70.35 and 65.15 respectively as shown in Table

2. Highest performance score is the result of better performance of these banks on different perspectives of Balanced Scorecard.

2. Central Bank of India and Syndicate Bank are the poor performers among all public sector banks on Balanced

Scorecard as the mean is the lowest as 19.00 and 24.40 respectively as shown in Table 2. The overall performance score of these banks is lower than other public sector banks in almost each year as shown in Table 1.

1.2 Grading and Ranking of Performance of Public Sector Banks on Balanced Scorecard

Table 3: Percentage of Overall Performance and Ranking of Public Sector Banks on Balanced Scorecard

Name of the Bank/Year	Performance in Percentage / Ranking	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
SBI	%	50	53	50	55	62	65	65	70	73	74
	Rank	1	1	4	3	1	1	1	1	1	1
BOB	%	43	47	52	56	56	56	60	57	53	60
	Rank	4	5	3	3	2	2	2	3	5	2
PNB	%	45	51	52	59	56	56	57	56	57	60
	Rank	3	2	2	1	2	2	4	4	2	2
IDBI	%	41	45	50	51	50	46	45	54	49	51
	Rank	6	6	4	5	3	8	7	5	7	6
Canara Bank	%	38	50	53	56	50	52	59	58	56	59
	Rank	7	3	1	2	3	4	3	2	3	3
BOI	%	49	48	47	53	47	54	57	53	54	57
	Rank	2	4	6	4	4	3	4	6	4	5
Indian Bank	%	42	45	51	49	50	47	51	49	50	57
	Rank	6	6	3	6	3	7	6	7	6	5
CBI	%	41	39	47	45	40	48	43	47	45	49
	Rank	6	9	6	7	6	6	9	8	9	7
Union Bank	%	43	43	49	49	46	54	53	54	57	58
	Rank	5	7	5	6	5	3	5	5	2	4
Syndicate Bank	%	41	39	39	44	46	50	44	53	47	49
	Rank	6	8	7	8	5	5	8	6	8	7

Table 4: Grading of Performance of Public Sector Banks on Balanced Scorecard

Name of the Bank/Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
SBI	Poor	Satisfactory	Poor	Satisfactory	Good	Good	Good	Good	Very Good	Very Good
BOB	Poor	Poor	Satisfactory							

PNB	Poor	Satisfactory								
IDBI	Poor	Poor	Poor	Satisfactory	Poor	Poor	Poor	Satisfactory	Poor	Satisfactory
Canara bank	Poor	Poor	Satisfactory	Satisfactory	Poor	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory
BOI	Poor	Poor	Poor	Satisfactory	Poor	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory
Indian Bank	Poor	Poor	Satisfactory	Poor	Poor	Poor	Satisfactory	Poor	Poor	Satisfactory
CBI	Poor	Poor	Poor	Poor	Poor	Poor	Poor	Poor	Poor	Poor
Union Bank	Poor	Poor	Poor	Poor	Poor	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory
Syndicate Bank	Poor	Poor	Poor	Poor	Poor	Poor	Poor	Satisfactory	Poor	Poor

Major Findings: From the above tables it can be seen that no public sector bank got excellent remark on Balanced Scorecard. All Public Sector Banks were remarked as either poor or satisfactory in most of the years. State Bank of India among Public sector banks was ranked on 1st position on Balanced Scorecard in most of the years.

Conclusion and Recommendations:

It can be concluded from the results of the study that Public Sector Banks have a deteriorating trend in their overall performance on Balanced Scorecard. To make an organization a “Sustainable Organization” and to achieve long term financial success, a strong Performance Measurement and Management System is required in order to continuously measure, evaluate and monitor the performance on all parameters so that corrective actions can be taken on time. Public Sector Banks should implement performance measurement and management tool like Balanced Scorecard and focus on improving their performance on different measures of Customer Perspective, Internal Business Process Perspective, Learning & Growth and Innovation Perspective and Social and Environment Perspective. These perspectives are the drivers which lead to improvement in performance on financial perspective. Improved performance on all perspectives will

result in improving the performance of banks on sustainability, profitability and competitiveness in long run.

This research paper is based on the ideas, concepts and research methodology given in the doctoral thesis submitted to University of Kota, Kota (Raj.) entitled, “**Application of Balanced Scorecard in Measuring Performance of Banks-A Comparative Study of Public and Private Sector Banks in India**” by Sudarshana Sharma under the supervision of Dr. Ashok Kumar Gupta. **MA**

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THE BEHAVIOUR OF BANK'S LIQUIDITY IN THE LIGHT OF FINANCIAL CRISIS - A STUDY OF INDIAN COMMERCIAL BANKS



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Bank's Liquidity is said to be the capacity of a bank to fund increase in assets and meet both expected as well as unexpected cash and collateral obligations as they become due. The behaviour of every banking sector of the country is expected to be largely dependent on the respective bank's liquidity criterion. To specify such movement in future given the present situation of economic slowdown due to ongoing pandemic an effort has been made to develop a proto type model with the inclusion of the 'crisis interaction term' in the backdrop of the global financial crisis of 2007-08. This study is undertaken to magnify the effects of 3 crisis interaction term deduced from the main model in reference to the Monetary Transmission Literature, to account for the variations in the bank's liquidity behaviour.

Abstract

Balance Sheet of every bank gives the real picture regarding its financial position at any given point of time. Bank's Liquidity is said to be the capacity of a bank to fund increase in assets and meet both expected as well as unexpected cash and collateral obligations as they become due. To specify the factors that have significant association in determining the variation in bank's liquidity and the behaviour of same in accordance with any probable future financial crisis the following study has been conducted with certain key bank specific variable and macroeconomic variables for a sample of 60 Indian Commercial Banks for a sample period of 11 years using panel data techniques. SIZE, CRAR, EFF, ROA, OPDT, CER, NNPA are significant for the original model. CRAR and EFF are significant for the crisis interaction model. In this paper only the crisis interaction model has been reported and given preference.

Introduction and Background:

A well-functioning financial system helps in effective channelization of funds to the profitable sectors thereby providing rooms for optimum utilisation of available resources to discharge the day to day activities to the consumers and also simultaneously to the weaker sections of the society. Although the Indian economy has suffered various financial shocks on account of spiral effects of different global crisis events, the role of the Reserve Bank of India towards the making of a more resilient banking environment with strict norms are in force since long. Be it the introduction and implementation of the Capital to Risk Adjusted Ratio (BASEL III)¹ or the analysis of the efficiency criteria for the banks' Reserve Bank of India has always been in the forefront in improving and monitoring the banking system in India. Aside all, the efficiency or productivity measures could act as leading indicators for evolving strengths or weaknesses of the banking system and could enable pre-emptive steps by the regulator when necessary, as we all know that the global financial crisis of 2007-08 has been one of the causes of the bank's illiquidity situation. Prior to the occurrence of the financial crisis the liquidity risk for the banks were considered to be secondary in nature. Shukla (2014) opined that the extraction of the investments from the financial system of India resulted in increase in the liquidity pressure on the Indian economy. However, given the present scenario of the global pandemic raging all around the world the Indian Banking system might face certain critical situation in the coming years. Thus, predicting the probable causes as regards to the future operative criteria in case of the Indian Banking Sectors has always been an area of interest for researchers. This study empirically seeks to bridge up this question of behaviour of certain key bank-specific and macro-economic variables in interaction with probable financial crisis in the near future in reference to the Monetary Transmission literature.

Motivation and Objectives:

In a recently published report by the RBI (Reserve Bank of India, 2020) it has been predicted that due to the stress in the credit risk section the Gross NPA of the Scheduled Commercial Banks will increase from 8.5% in March 2020 to 12.5% in March 2021, whereas the system level-1 capital may fall from 14.6% in March 2020 to 13.3% in March 2021. Nair and Vinod., (2015), studied the determinants if allocative efficiencies for the Indian Commercial Banking sector since the inception of 2nd phase of issuing banking licenses and found that the state owned banks are performing better than the public, private and the foreign banks under the different efficiency parameters considered. Berger & Humphrey, (1994), examined the effects of mergers in the banking sectors on a varies sample of the U.S bank's cost and profit functions and found that some mergers proved to be profitable while others lowered the efficiency of the banks.

¹The implementation of the BASEL III with respect to the additional tranche of 0.625% as regards to the countercyclical capital buffer had been postponed till 30th September 2020. (<https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/6FSRCHAP-TER26952249FEDAA4019BC14F4FA93C89F2C.PDF>)

In another study Berger & Humphrey, (1997), surveyed the 130 studies over 21 countries to examine the efficiency implications based on different criteria like the government policies, research and managerial performance. The present study thus seeks to develop a prototype crisis interaction term and propose a model for probable movement of certain bank specific and macro-economic variables in describing the causes of variation in the liquidity requirements of the Indian Commercial Banks.

Data and Methodology:

The data for the study covers the time period from 2005-06 (to cover the financial crisis phase) till 2015-2016 (pre-merger phase of the State Bank of India and its Associates). The main variables for the development of the crisis interaction term include CRAR, SIZE and Economic Efficiency (EFF) of the Indian Commercial Banks. Initially a 2 stage panel data modelling has been proposed here in 2 separate equations. As the data consists both cross section and time points the panel data techniques has been applied here where by the 2 popular work horses are the Fixed Effects and the Random Effects model as appropriated by the Hausman Test. In the usual sense the Fixed Effects Model is usually preferred over the Random Effects, as the former gives more consistent results & are more robust as compared to the later as the Fixed effects do not depend on the assumption of that the individual error term (ϵ_{it}) is not correlated with the regressors. Further it is also assumed that the "E" or the disturbance term is independent & identically distributed & none of the variables of the model are stochastic. ($\epsilon_{it} \sim iid=0, \delta^2$). Where, β_1 to β_9 are the coefficients of the independent variables & ϵ are the error term. The panel model has been constructed with the indices 'i' and 't' representing bank and year respectively. The proposed model is as follows:

$$LIQR_{it} = \alpha_{it} + \beta_1 SIZE_{it} + \beta_2 CRAR_{it} + \beta_3 ROA_{it} + \beta_4 NNPA_{it} + \beta_5 CER_{it} + \beta_6 OPDT_{it} + \beta_7 GDP_{it} + \beta_8 INFLN_{it} + \beta_9 Eff_{it} + \epsilon_{it} \dots \dots \dots (i), \text{ and};$$

$$LIQR_{it} = \alpha_{it} + \beta_1 CS_SIZE_{it} + \beta_2 CS_CRAR_{it} + \beta_3 ROA_{it} + \beta_4 NNPA_{it} + \beta_5 CER_{it} + \beta_6 OPDT_{it} + \beta_7 GDP_{it} + \beta_8 INFLN_{it} + \beta_9 CS_Eff_{it} + \epsilon_{it} \dots \dots \dots (ii) [Crisis Interaction Model]^2$$

Short description of the variables is as follows:

Dependent Variable = Liquidity (LIQR); Liquid Assets over Total Assets.

Independent Variables:

- a. Bank Specific:
 - ▲ Capital Adequacy (CRAR); Capital to Risk Adjusted Ratio (BASEL II).
 - ▲ Bank Size (SIZE); Log of total Assets.
 - ▲ Profitability (ROA); Return on Assets.
 - ▲ Diversification Ratio (OPDT); Fraction of Non-Interest Income to Total Interest Income.

²The results of the CRISIS INTERACTION TERMS only have been reported in this paper.

- ▲ Cost Efficiency Ratio (CER); Total Operating Expenses to Total Interest Income.
 - ▲ Net Non-Performing Assets (NNPA); Gross NPA minus Provisions.
- b. Macro-Economic:
- ▲ Annual GDP growth rate (GDP).
 - ▲ Inflation rate (INFLN)
 - ▲ Economic Efficiency scores (EFF).

In reference to the efficiency scores the Data Envelopment Analysis technique has been used to estimate the efficient frontier in numerical terms through efficiency scores by employing a desired bundle of Inputs and Outputs that the banks would have employed to produce a given level of desired Output through an available amount possible input bundle with them within a given scale of production approach. This is done by assuming the banks as Decision Making Unit or DMU who is assumed to have a set of alternative decisions to produce financial output. The optimisation function for deriving then efficiency scores is written as:

$$\rho_x = \min \theta$$

$$s.t \sum_{j=1}^N \lambda_j y^j \geq y^0;$$

$$\sum_{j=1}^N \lambda_j y^j \leq \theta x^0$$

$$\sum_{j=1}^N \lambda_j = 1.$$

$$\lambda_j \geq 0; (j = 1, 2, \dots \dots \dots N)$$

The efficiency scores of the banks has been computed in reference to the intermediation variant of the assets approach of the *Sealey and Lindley (1977)*, with Labour; Deposits; Fixed Assets and Borrowings as inputs and Investment and Advances as output assuming the Constant Returns to Scale in place.³

In the backdrop of the financial crisis dummy variables (1 and 0) has been taken to magnify the effects of the financial crisis of 2008 on some key bank specific variables (based on the Efficiency, Productivity and Soundness of Banking Sector by RBI), where by the former refers to the fact that the banks faced the effects of financial crisis in 2008 while otherwise it is 0.

Data for the bank-specific variable and for computation of

³The entire arrangement result of this methodology gives an efficiency frontier line, whereby the DMUs operating on the frontier line are considered as efficient compared to those operating below the efficiency frontier line. The output-bundle of the firm may be treated as an assigned task and the efficiency of the firm is judged by the maximum equi-proportionate reduction in all of its inputs without compromising the feasibility of the target output.

efficiency scores has been collected from the Reserve Bank of India statistical table and that of the macro-economic variables has been collected from CMIE-Economic Outlook.

Results and Discussion:

The following table shows the summarized results for the Crisis interaction Model post the regression exercise:

In the presence of the CRISIS Interaction term: for the year 2008		
Variable Name	Coefficient	P-Value
EFF x Crisis 08	-0.093641**	0.0427
CRAR x Crisis 08	0.004798*	0.0000
SIZE x Crisis 08	0.003407	0.5747

***Significant at 1% or less than 1% level
 **Significant at 5% level
Accepted Model: FIXED EFFECTS MODEL.
Hausman Test: 116.03845 with p-value of 0.0000.
R-square: 65.18.
F-stat: 138.3438 (p-value = 0.0000)
DW-stat: 2.112

The second model that has been deduced as regards to the effects of the Financial Crisis in the backdrop of the Global financial crisis of 2007-09 (but the analysis has been done for one year only to provide a hint into the future models that can be further derived), for analysing the effects of the crisis and its interactions with certain key specific bank variables (with reference to the report on *Efficiency, Soundness & Productivity of Banking Sectors as per RBI*), gives the following indications (only the variables with the crisis interactions has been reported in here). This model has been run in accordance with the assumption of *Ceteris-Paribas*⁴ that reveals the following:

The presence of the crisis effect in the economy the efficiency tends to have a negative impact on the bank's liquidity as regards to the fact that the bank in order to maximize the scale of its normal operations is trying to reach out more to achieve more than what is the standard level of output, with only a given level of input (As scale assumption is input oriented CRS).

The presence of the crisis in the economy if faced by the banking sector will tend to increase their liquidity base with regards to one unit increase in the bank's capital cushion, that can be pointed out as a defensive move on the part of the banks ho try to protect their existing normal course of operations smoothly safeguarding themselves from the effect of crisis.

However, the effective power of the model is also good as re-confirmed by the F-Stat besides the R-square that tells that the model is good enough to explain more than 50% of the explained variations in the Liquidity ratio of the Banks during the Crisis period.

⁴Only the interactions terms with respect to financial crisis has been treated by simply multiplying the same for the year of crisis with that of the respective variable, keeping all other variables same either with 1 or 0 as for the respective case may be.

Conclusions and Policy Implications:

Among the studies that are existing for studying the variations in the liquidity, this study have been able to point out at the effect of one of the major economic variables, that is the economic efficiency. The robustness of the model is also tested as against the crisis interaction term only for the year 2008. On the other hand, the analysis of the Technical Efficiency Scores Table points that there are still certain banks those who are operating below the efficient frontier level, who are required to be controlled to reduce the wastage in the use of the inputs optimally to maximize their output for the increase in the performance of the entire group of public or private as a whole. A close analysis of the efficiency scores in conjunction with the CRAR of the Indian Commercial Banking Sectors for the sample under the study leads to the fact that mainly the foreign banks have been able to keep more amount of Capital buffers over and above the normal prescribed by the RBI. Although the derived coefficients are towards the lower side but the significance level of the coefficients provides substantial hints as regards to the future movement of the predictive ability of the model with more large data points and sample size.

The selection of the sample size before the merger of the Indian Commercial Banks has been considered to cover the behaviour before merger so that there is ample scope to extend the study in the near future with a comparison of post-merger scenario, thereby marking the limitation of this study. **MA**

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PRESENT SCENARIO OF 'ONLINE EDUCATION' DURING COVID-19 PANDEMIC



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Abstract

The Covid-19 pandemic has shaken the earth from its core and has disrupted the entire activities of all sectors including education sectors. Government of India has closed all educational institution starting from school level to college- university level. E- learning system has taken the place of conventional mode of education. For this purpose a questionnaire survey has been made in Google Form to study the impact of 'online education' during this Covid-19 situation. Total 153 responds have been received from students, teachers and guardian. Most of the respondents are agreed that online education is really helpful during this pandemic situation. Although there is a lot of limitation and constraints to adopt this digital form of learning.

Introduction

Covid 19 was first reported in Wuhan Municipal area in China in December, 2019 but in that time Wuhan Municipal Commission was reported this disease as a cluster of cases of pneumonia. On 11th March, 2020 WHO declared Covid-19 as pandemic. The devastating and severe impact of COVID-19 has shaken the world to its core. Further, most of the Governments

around the world have decided to go complete lockdown for few weeks in an attempt to contain the spread of the COVID-19 pandemic. In India the Hon'ble Prime Minister Mr. Narendra Modi had declared a voluntary national curfew named as 'Janata Curfew' for 14 hours on 22nd March, 2020 and thereafter on 24th March, 2020, the Government of India under Prime Minister Narendra Modi ordered 21 days nationwide lock down and extended it from time to time.

The government of India has closed all educational institutions as a part of the nationwide lockdown, as a result learners ranging from school going children to postgraduate students, are affected. The UNESCO has also forecasted that about 32 crores students from school level to college, university levels are affected in India (Kasrekar and Wadhavane, 2020). In this lock down situation digital learning system has taken the place conventional mode of education but it is true that a only a handful of private schools, a few colleges and universities have adopted online digital learning system (Kasrekar and Wadhavane, 2020). On the other hand a very few government and government aided school, colleges have started online education in a very unstructured manner because of not having proper e-learning software, fast internet, computer, laptop, mobile etc to both teachers and students. Basically the students of the rural area have missed opportunities of e-learning, not only having the computer, smart phone, internet but also no longer have access to healthy meals during this time due to economic and social stress.

Objective of the study:

1. To study on the impact of ‘online education’ during this Covid-19 situation.
2. To analysis the initiative taken by the educational institutions regarding online classes.
3. To analysis the opinions regarding online classes and faculty development & knowledge development of teachers.

Research Methodology:

The study is based on primary data and data has been collected by conducting primary surveys with formatted questionnaires among, teachers, guardians, and school and college students. 23 and 24 questionnaires have been prepared for school and college students respectively whereas 19 questionnaires have been chosen for teachers and 17 questionnaires have been selected for guardians. These questionnaires have been prepared in Google Forms and circulated through different social media in August, 2020. Total number of respondents of this survey were 153, out of total respondents 87 (i.e. 56.9%) were students, 52 were teachers (i.e. 34%) and 14 were guardians (i.e. 9.2%).

The **first question** was regarding awareness of ‘Online Classes’ among the students community. The result is shown in chart 1.

Respondents of school going students were 27 and students of higher studies were 60. If we consider the respondent gender wise, then 51% of total respondents were male and 49% were female. 51.6% respondents were living in urban area and 20.9% were resided in semi- urban area, whereas only 20.9% respondents were living in rural area. For the purpose of this study different charts and bar diagram has been used as a tool for presenting the survey result.

Impact of ‘Online Education’ during this Covid-19 situation

During covid-19 pandemic all educational institutions in our country are completely shut-down from third week of March, 2020. During this time of crisis ‘online education’ help the student to continue their study. It is true that only a handful private schools and colleges have provided this service to our students but majority of government and government aided school and colleges are not in the position to start ‘online classes’ due to infrastructural, technical and motivational constraints. Another major constraint is the availability of smart phone and internet connection as only 45 crore people of our total population of the country have access to the internet (Jana, 2020, p. 80).Although many teachers of government school and colleges have started ‘online classes’ by their own initiative. Government has also taken initiative to broadcast higher class lectures of different subjects on television. Different online platforms have already started for higher studies, like, SWAYAM Course, e-Pathshala, e- Shodh Sindhu, Shodhganga etc. which helps a lot for higher studies.

Therefore, in this situation digital education comes into the center stage of education in our country and near future digital education is likely to be integrated into mainstream education. Learners from diverse geographical area of our country can get access better learning facility which will enable inclusive education in near future.

In this new normal situation digital education is a complete revolution in the field of education in our country. Interested students, teachers can contact with a world-class education, workshop, special lectures (in forms of webinar) which is not easy to impart by the traditional methods of teaching-learning environment.

Finding of this study has been discussed below.

Chart 1.



Source: Online Survey

Observation:

From the above chart.1 it reveals that 92.6% school students and 96.7% students of higher education are aware of ‘Online Classes’. It signifies that urban, semi-urban and rural students are known about this online education.

The **second question** was relating to Mode of teaching- i.e. classroom teaching or online teaching. This is shown in table 1.

	Classroom Teaching	Online Teaching
School Students	77.78	22.22
Students of Higher Education	83.33	16.67
Guardian	71.4	28.6

Source: Online Survey

Observation:

Most of the students i.e., 77.78% and 83.33% respondents of school and college students respectively are prefer to join classroom teaching whereas 71.4% respondents of guardian are also support classroom teaching. Therefore, conventional class room teaching has no other alternative.

The **third question** was that the online class is relevant and helpful for continuing study during this Lock Down Situation. The observation of this question is shown in table 2a and 2b.

	Very much irrelevant	Not Relevant	Neutral	Relevant	Very Relevant
School Students	7.41	18.52	29.63	22.22	22.22
Students of Higher Education	5	6.67	40	26.67	21.67

Source: Online Survey

	Yes	No	May be
Teachers	78.8	5.8	15.4
Guardian	85.7	-	14.3

Source: Online Survey

Observation:

On analysis of the above table 2a and 2b, it is observed that 44.44 % and 48.34% respondents of school and college students respectively are agreed that online classes are either relevant or very much relevant. Whereas 78.8% and 85.7% respondents of teachers and guardians are thinking that online classes are helpful for continuing classes during this Lockdown Situation. Most interesting is that about 30% school students and 40% students of higher education are neutral in this question. Therefore, online classes are plays the role of substitute of conventional class room teaching.

The **fourth question** was relating to watching YouTube channel for educational purpose. The response relating to this question is shown in table 3.

	Yes	No
School Students	80.77	19.23
Students of Higher Education	83.33	16.67

Source: Online Survey

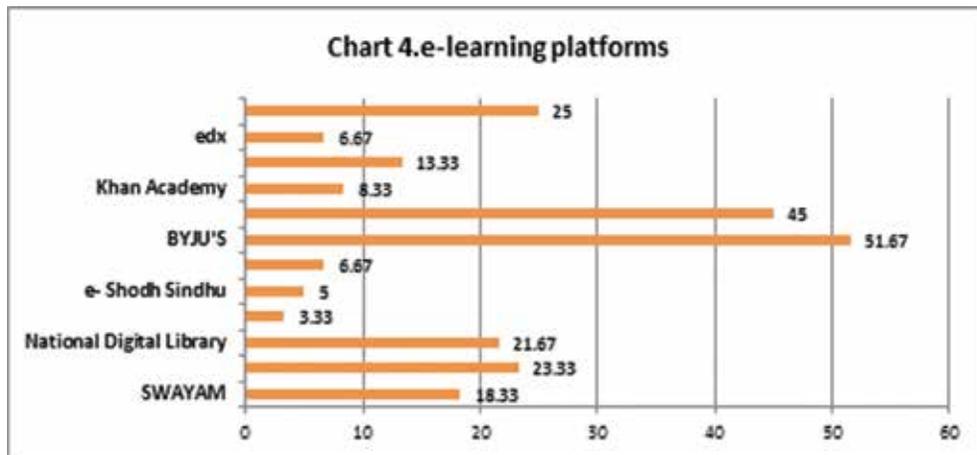
Observation:

From the above table 3 it is observed that 80.77% and 83.33% respondents of school and college students respectively are watching You Tube channel for educational purposes. Therefore, it can be observed that majority of the students are familiar with online mode of education and they use you tube for better understanding of their study.

The **fifth question** was specifically for the students of higher education relating to digital learning platform or apps they have known about. This is shown in chart 4.

The Government of India has also started some digital

learning programs. Many ed-tech firms have also taken initiative to start e-learning classes. Some startups are witnessing as high as 25% increase in e-learning courses (Kasrekar and Wadhavane, 2020). The Ministry of Human Resource Development has already started a massive open online course (MOOC). In near future India will be the biggest market for MOOCs in the world after the USA (Kasrekar and Wadhavane, 2020). As the majority of our population is young, so, massive open online course (MOOC) is said to open gateways for a lot of young aspiring youth of our country.



Source: Online Survey

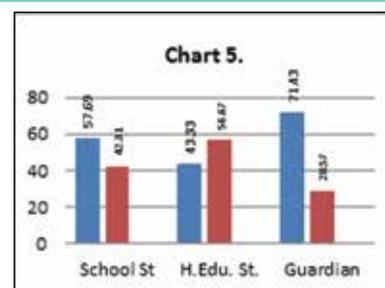
Observation:

On analysis of the above chart it is observed that SWAYAM, Shodhganga, e-shodh Sindhu etc are not much familiar than the private e-learning platforms. 51.67% students are known about BYJU'S one of the leading private e-learning education provider. This is because of advertisement campaigning. Private e-education providers are basically focused on school level education whereas SWAYAM, Shodhganga, e-shodh Sindhu etc are basically for the students of higher education, research fellow etc.

The **sixth question** was relating to online Private tuition class which is shown in table 4 and chart 5.

	Yes	No
School Students	57.69	42.31
Students of Higher education	43.33	56.67
Guardian	71.43	28.57

Source: Online Survey



Observation:

It is observed from the above table and chart that school students and guardians have expressed their positive opinion regarding online private tuition whereas 56.67% students of higher education are not opting online tuition during this lockdown time.

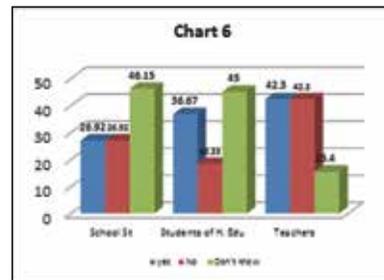
Initiative taken by the educational institutions regarding online classes

At this moment all educational institutions have totally closed and many institutions have started online classes in formal or informal structure. So certain questionnaires have been framed to know about the institutional initiative in this regard.

The **first question** in this part to know about the possession of Learning Management System (LMS).

	Yes	No	Don't Know
School Students	26.92	26.92	46.15
Students of Higher Education	36.67	18.33	45.00
Teachers	42.3	42.3	15.4

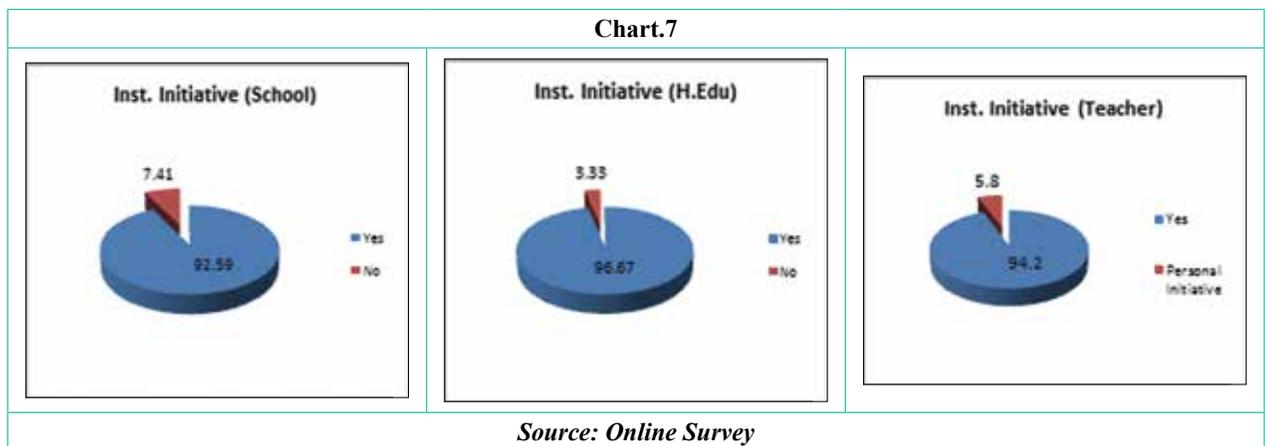
Source: Online Survey



Observation:

From the above table 5, it is shown that 46.15% and 45% students of school and colleges are not aware of Learning Management System of their institution. Whereas 42.3% teachers are agreed that their institution have their proper Learning Management System and 42.3% teachers also pointed out that their institution have not provided any LMS.

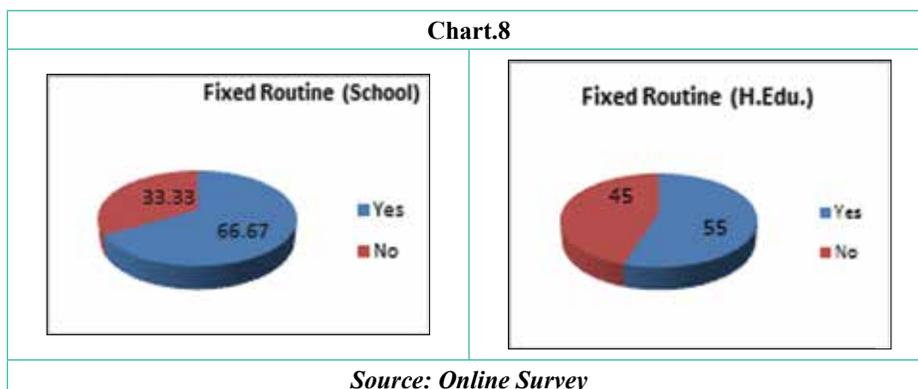
The **second question** was institutional initiative regarding ‘Online classes’ during this Lock Down situation.



Observation:

From the above Chart 7 it found that 92.59% and 96.67% respondents of school and college students are agreed that institution have taken initiative to conducting online classes in a formal or informal structure which helps the students’ community to continue their study. Similarly 94.2% teachers are also agreed in this question. Many of them are taking interactive classes and uploading notes / e-content in their institutional website. In this blended learning environment, interaction between teacher and students become more flexible and basically learners play the central role (Nguyen, 2017, p. 175).

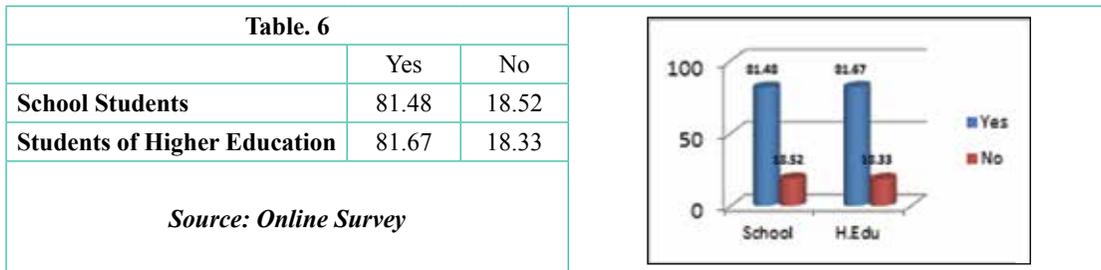
The **third question** was relating to structured routine for ‘Online classes’.



Observation:

From the above chart 8, it shows that 66.67% and 55% respondents of school and higher education are agreed that the fixed routine has been followed by their institutions. Therefore, it can be said that online class has considered as an alternative mode of education by the institution.

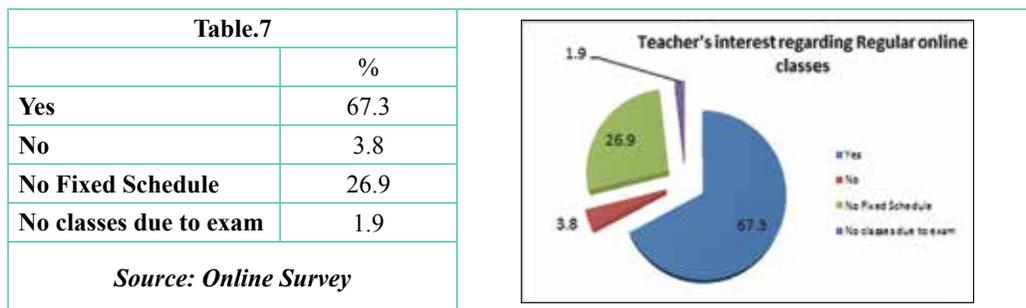
The **fourth question** was regarding regular attendance of ‘Online classes’ as per routine.



Observation:

It is observed from the table 6 that about 82% respondents of students, both school and higher education are interested to attend online classes. This is really a very good indication relating to this alternative mode of education.

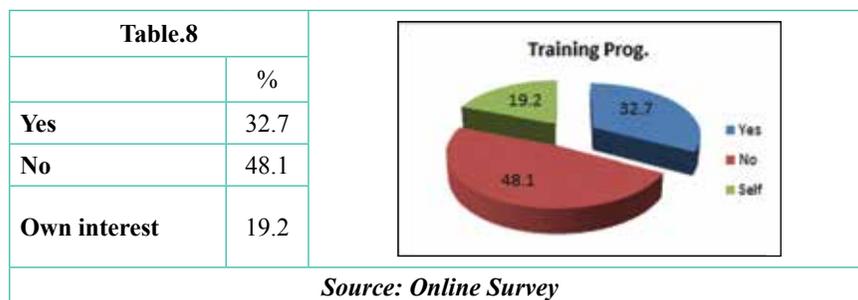
The **fifth question** was specifically for teacher community regarding taking of regular classes.



Observation:

On analysis of the above table 7 and chart, it can be said that 67.3% teachers are taking online classes as per schedule routine but 26.9% teachers are taking classes without proper routine because they are taking classes generously as their institution has not taken any initiative for online classes. In this situation it is the common responsibility for educators to assist in students’ learning with teaching methods, teaching materials, and diversified teaching media with more efficient and interesting manner which helps students to accept gladly (Lin et al., 2017, p. 3560).

The **sixth question** was regarding institutional arrangement of any training program for teacher relating to ‘online classes’.



Observation:

It is observed from the above table 8 and chart that 48.1% teachers were agreed that no formal training relating to online classes had arranged by the institution and those who are tech savvy they were adopting technology of digital learning by their own interest and 19.2% teachers have agreed in this regard. But it is true that formal training is necessary for taking online classes for majority of the teachers.

Opinion survey regarding online classes and faculty development & knowledge development of teachers

The opinion survey regarding attendance, **interest and feedback of the students** relating to online classes.

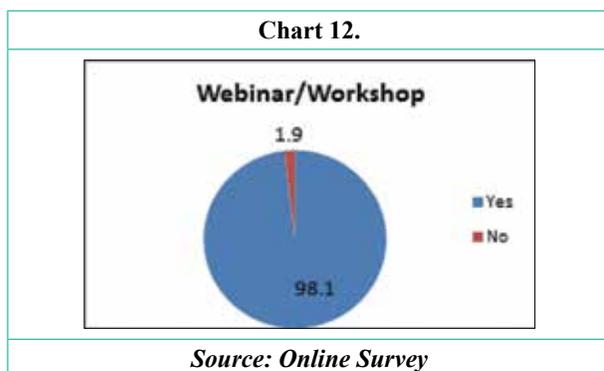
Table.8					
	Extremely Poor	Poor	Average	Good	Appreciating
Students' Attendance		19.23	55.77	13.46	11.54
Teachers' Interest on online classes		5.77	61.54	19.23	13.46
Students feedback regarding online classes	3.85	11.54	50.00	21.15	13.46

Source: Online Survey

Observation:

- 55.77% teachers express average opinion regarding student's attendance, i.e., students' interest on online classes is moderate because online classes are optional mostly for government and government aided school and colleges.
- Teacher's interest relating to online classes is also average, 60.54% teachers are putting this option this is because of lack of technological concept.
- Similarly, students feedback regarding class, understandability of class etc are also average, 50% teachers opinioned in this regard.

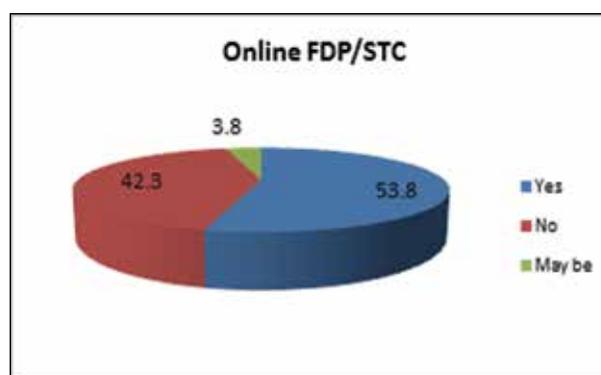
Teachers/ faculty participation in **Webinar/ Workshop** during this lockdown situation.



Observation:

From the above chart 12 it is clearly shows that 98.1% teachers have been participated different webinar for the academic interest and also attend different workshop or training program for skill development and knowledge. Webinars and e-conferences became normal during this lock down period, and sharing expertise among academicians around the globe with different academic matter (Jana, 2020, p. 80). Different educational institutions especially higher education institutions have organized many national and international webinars which are really enrich their knowledge in different diverse area. Cost of organizing such type of webinars is very low in compare to conventional seminar and workshop. Therefore, this is very much cost effective also. These are not only cost effective but also time convenient.

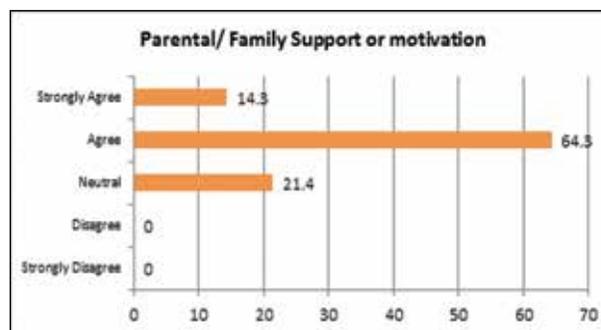
Participation of teachers in **Online Faculty Development Program (FDP), Short-Term Courses (STC)** for their career advancement.



Observation:

It is observed that 53.8% respondents of teachers have attended different Online Faculty Development Program (FDP), Short-Term Courses (STC) for their career advancement which is really helpful for them. University Grants Commission (UGC) has issued relevant order in this regard and most of the State Government including Govt. of West Bengal has also issued matching order of the UGC for career advancement of teachers.

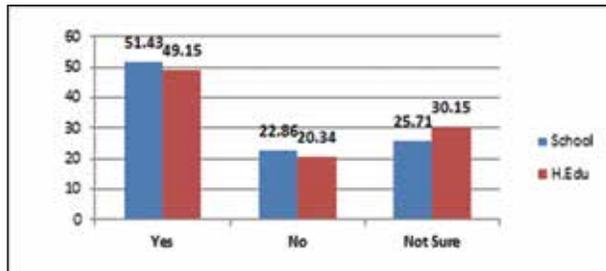
Guardian's opinion regarding family Support or motivation for online classes



Observation:

It is observed that parental or family support or motivation is necessary for attending online classes of their children's, especially school going students. 64.3% respondents of guardians are agreed in this point.

Student's opinion regarding online classes as complementary of normal classes to fulfill the objectives of learning



Source: Online Survey

Observation:

From the above chart 51.43% and 49.15% respondents of students have given their opinion that online classes are complementary to the normal class and these online classes are helpful to fulfill the learning objectives.

Conclusion:

The Covid-19 pandemic has shaken the earth from its core and has disrupted the world economy. This pandemic situation is not only affected the world economy but also disrupted the activities of all sectors, especially education sectors. In India many sectors have started their operation in unlocking process in phase manner but education sectors are the worst affected. Although education sectors are the critical determinant of a country's future economic. Due to this pandemic situation many educational institutions have started teaching – learning activities by using online platforms and this situation is also pushing countries policymakers to find out the proper and systematic path for ensuring inclusive e-learning solutions. This pandemic has transformed the conventional chalk–talk teaching pedagogy to technology driven digital education. Therefore, a multi-dimensional strategy is needed to manage this crisis and near future digital education is likely to be integrated into mainstream education. Proper Learning Management Software (LMS) and open-source digital learning solutions

should be adapted to all educational institution, so that teachers can conduct online classes in a systematic manner. Affordable and users friendly digital learning solutions need to be developed especially for the most vulnerable and marginalized section of our country. Most of teachers, students and guardians are agreed that online education is really helpful during this lock down situation. Although, the value of conventional education have no other alternatives. To implement this virtual education, the mind setup of students, teachers, guardians, administrative and academic committees of educational institution and Governments have to be changed, to extract the essence of 'Online Learning'.

MA

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Down The Memory Lane

November 2010



Shri Chandra Wadhwa, former President of ICWAI, speaking on occasion of a Seminar on Companies Bill organized by ASOCHAM on 09th November, 2010 at New Delhi.

On occasion of Seminar on IFRS organized by Lucknow Chapter of Cost Accountants. Seen in picture: Shri Rakesh Bhalla, Vice Chairman of NIRC (speaking); Shri O.P. Saxena, Chairman, Lucknow Chapter of Cost Accountants and Shri Balwinder Singh, CCM, ICWAI.



November 2000



D.C. Bajaj, President, ICWAI, discussing matters relating to the profession with Shri Satya Brata Mookherjee, Union Minister of State for Chemicals and Fertilizers. Others seen in the picture J.K. Puri, Past President; R.J. Goel, Past President and present CCM.

Smt. Sushma Swaraj, Union Minister for Information and Broadcasting is seen with R.J. Goel, Past President and present CCM; J.K. Puri, Past President; D.C. Bajaj, President, ICWAI; M.K. Anand, Chairman, NIRC during their meeting with the Minister.



Down The Memory Lane

R.J. Goel, CCM and Past President; V.C. Kothari, CCM and Chairman, Research & Journal Committee; Carlos R. Alindada, President, CAPA; Ranel T. Wijesinha, Deputy President, CAPA and S. Ramanathan, CCM and Past President at 55th Meeting of CAPA Executive Committee at Manila, Philippines on November 8, 2000.



Shri Digvijay Singh, Chief Minister, Madhya Pradesh, releasing Gangazal si Gazal, a collection of Gazal composed by N.D. Jaju, Chairman, Bhopal Chapter.

November 1990

Shri Padma Ramachandran, IAS, Chief Secretary, Government of Kerala, delivering the valedictory address of Regional Cost conference 1990-91 held on 23-24 November, 1990.



November 1980



Shri V. Basavaraju, President, ICWAI addressing the Regional Cost Conference, held on 22-23 November, 1980, Hyderabad.

November 1970

Shri K. Sundaram, M.P. of Coimbatore inaugurating the Seminar on Planning for Productivity held under the auspices of Tiruchirapalli Chapter of Cost Accountants in collaboration with Tiruchirapalli Productivity Council on 29th Day of November, 1970. Seen (Left to Right) Shri K. Sundaram, M.P., Shri N. Krishnaswamy (Chairman of the Chapter), Shri R. Nanabhoy (President, ICWA of India), Shri V. Kalyanaraman, Chairman, SIRC.



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

EASTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BHUBANESWAR CHAPTER

To create further visibility and branding of CMA Profession, this Chapter has felicitated to Shri Situ Behera (Rank -1) and Miss Manasmita Mohanty (Rank-2) in +2 Commerce Examination -2020 of Council of Higher Secondary Education on 21.08.2020 at their Residence. On behalf of the Chapter CMA Debadatta Swain , Teaching Member and Shri H K Biswal, AAO facilitated them and wished for their bright Professional Career. Same was highlighted by six (6) nos. print Medias in Odiya and English. CMA Mukesh Chaubey , Chairman of the Chapter and CMA Uttam Kumar Nayak , the then Secretary of ICAI-EIRC felicitated to CMA Bijay Kumar Mohanty, Chief Programme Manager, REC Ltd. and Additional Charge of CEO, FACOR Power Ltd. on 25.08.2020. CMA Mukesh Chaubey , Chairman of the Chapter and CMA Uttam Kumar Nayak , the then Secretary of ICAI-EIRC felicitated to CMA Saroj Kumar Sahoo, Sr. G M (Fin) , PGCIL, Bhubaneswar on 25.08.2020. The Chapter has organized a WEBINT in Association with Department of Income Tax, Range-2, Bhubaneswar and Other Chapters at Odisha on 30.08.2020 on the theme “Faceless Assessment”. CMA Rakesh Bhalla, the then Chairman, Direct Taxation Committee, ICAI graced the occasion as “Chief Guest” and CMA Niranjan Mishra, the then Chairman, Indirect Taxation Committee, ICAI graced the occasion as “Special Guest”. Shri Sitarama Rao, IRS, Additional Commissioner of Income Tax, Range-2, Bhubaneswar graced the occasion as “Guest of Honour” and delivered in detail on the topic as “Resource Person”. In a nut shell deliberation held on Faceless Assessment Scheme inaugurated as Phase 1 on 7th Oct 2019 by Hon’ble Union Finance Minister, Govt. of India. CMA Mukesh Chaubey, Chairman of the Chapter delivered the welcome address and made brief introduction of Guest. CMA Saktidhar Singh, Chairman. Professional Development Committee of the Chapter delivered key note address. CMA Ajay Kumar Samal, Secretary of the Chapter extended formal vote of thanks. Shri Sitarama Rao, IRS, Additional Commissioner of Income Tax , Range-2, Bhubaneswar was greeted on 01.09.2020. CMA Saktidhar Singh, Chairman, PD Committee and Immediate Past Chairman of the Chapter and CMA Niranjan Mishra, the then Chairman, Indirect Taxation Committee presented memento and conveyed gratitude for his gracious presence and association of the department on the occasion of WEBINT on “Faceless Assessment” held on 30.09.2020. The Chapter has organized a WEBINT on “An Insight to Income Tax Return” in association with Other Chapters at Odisha on 7th September, 2020 .CMA H Padmanabhan , the then Chairman, Regional Councils and Chapters Coordination & CAT Committee and AAT Board of the Institute graced the occasion as “Chief Guest” and Dr. Abhishek Murali, Secretary, Southern India Regional Council of The Institute of Chartered Accountants of India, Chennai addressed on the topic with lot of analytical data as “Resource Person”.

CMA Saktidhar Singh, Chairman, PD Committee delivered welcome address and CMA Ajay Kumar Samal, Secretary of the Chapter extended formal vote of thanks. As a matter of the Culture of the Chapter and prevailing practice , CMA Ajay Kumar Samal, Secretary of the Chapter welcomed to CMA Pallab Bhattacharya, the then Chairman, ICAI-EIRC during his visit to Bhubaneswar Chapter in the presence of CMA Uttam Kumar Nayak, the then Secretary , ICAI-EIRC and CMA B B Nayak, the then Vice Chairman, ICAI-EIRC. This Chapter has organized a WEBINT on “Post COVID-19 Rejuvenation of MSME & AGRICULTURE SECTOR (A way forward towards Atmanirvar Bharat)” in association with all other Chapters of Odisha on 4th October, 2020. Shri Sibananda Bhanja, Circle Head, Punjab National Bank, Circle Office, Cuttack addressed on “AGRICULTURE SCHEME FOR ENTERPRENURE” and Shri Susanta Kumar Mishra, Regional Head, Sambalpur, Union Bank of India addressed on “Post COVID-19 Rejuvenation of MSME” as “Resource Person”. CMA Saktidhar Singh, Chairman, PD Committee of the Chapter delivered welcome address and extended formal vote of thanks. CMA Surya Narayan Tripathy, Member, PD Committee of the Chapter delivered key note address on the occasion . CMA Saktidhar Singh, Chairman, PD Committee of the Chapter met to Shri Shri Sibananda Bhanja , Circle Head, Punjab National Bank, Cuttack Circle , presented memento and appraised the role of CMA’s in banking sectors on October 4, 2020.

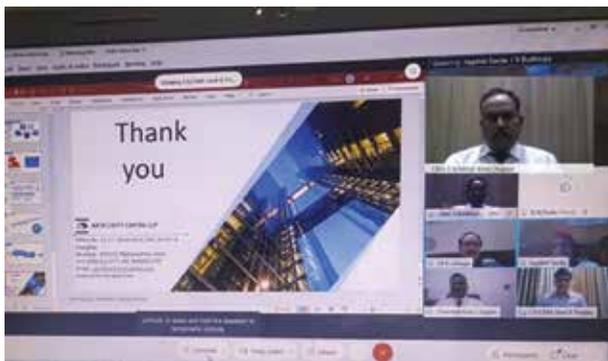




NORTHERN INDIA REGIONAL COUNCIL

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
KOTA CHAPTER**

NIRC & the Chapter in association with The SSI Association, Kota organised the Webinar on “One time Restructuring (OTR) of Loan- Benefits & Challenges” on 12th September 2020. CMA Sunil Pandey (CMA, CA, and IIM-C Alumni) was the expert faculty of the webinar.



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
BEAWAR CHAPTER**

The Chapter started series of webinars for sharing knowledge among professionals and students, named as “Enhance Knowledge – Enlighten Yourself “. The first webinar was on 4th October 2020 on the topic “Key Issues in GST Annual Returns & Audit.” CMA Mitesh Chopra, Secretary, of the Chapter gave opening remarks and welcomed chief guest CMA Satya Narayan Mittal, and Guest of Honour CMA Prakash Kothari. Thereafter CMA Jyoti Sarada, Treasurer of the Chapter welcomed the Key Speaker and participants. Key Speaker of the Webinar was CA Ankit Somani, Leading Tax Practitioner from Ajmer. He explained in detail the key issues in GST Annual Returns & Audit and also recent developments in GST. CMA Rupesh Kothari, Chairman of the Chapter thanked all the participants. The second webinar was on 11th October on “Desktop Yoga and

Health Talk”. The session was conducted by CMA Mandeep Singh, Joint Secretary, Beawar Chapter. CMA Mandeep Singh, Joint Secretary of the Chapter introduced and welcomed the Chief Guest CMA Harkesh Tara, Chairman, NIRC and Guest of Honour CMA Rajendra Singh Bhati, RCM, NIRC. CMA Jyoti Maheshwari introduced the Keynote Speaker, Mrs. Ritu Agarwal, Facilitator and Teacher at the Art of Living Happiness and Wellness Programs and Certified Yoga Instructor. Mrs. Ritu not only showed many exercises that can be done at work, she also stressed on the benefits of meditation and pranayam for improving the quality of life. the program ended with a small talk by the guests and vote of thanks by Chairman, Beawar Chapter, CMA Rupesh Kothari. The third webinar of the series was on the topic “Strategy to pass Limited Insolvency Examination and Opportunities for Professionals in IBC 2016.” This Webinar was jointly conducted by Beawar Chapter and Kota Chapter of Cost Accountants on 18th October, 2020. CMA Akash Agarwal, Chairman, Kota Chapter and CMA Rupesh Kothari Chairman, Beawar Chapter welcomed the the Chief Guest CMA (Dr.) S.K. Gupta, CEO, Insolvency Professional Agency-ICAI, and Guests of Honour, CA Manohar Bhandari, DGM (Taxation), Shree Cement Limited, Beawar and Advocate Raj Kumar Vijay, President, Tax Bar Association. CMAs Tapesh Mathur, Vice Chairman, A.K. Jethaliya, Secretary, Surendra P Gupta, Treasurer, Mukut Sonkhiya, Satyawan Sharma, Kota Chapter, and CMAs Maneesh Jain, Vice Chairman, Mitesh Chopra, Secretary, Mandeep Singh, Joint Secretary, Jyoti Sarada, Treasurer, Aditi Gaud, Beawar Chapter, introduced the eminent guests and speakers. The Keynote Speaker for the day CMA J.K. Budhiraja (Founder CEO, Insolvency Professional Agency-ICAI,.) pointed out the changes between the current and the new syllabus which will come into effect from 1st Jan 2021. He also spoke about the eligibility criteria, registration process, examination centers, study material and exam preparation in detail. At the end, Program Convener, CMA S. N. Mittal, Chairman PD Committee, Kota Chapter, thanked all the participants, guests, members of Kota and Beawar Chapter and CMA Jatin Agarwal of Technical team for active participation in the program and for making it a grand success.





SOUTHERN INDIA REGIONAL COUNCIL

As per the directives received from Taxation Research Department (TRD), ICAI, a WEBINT on the Topic, “Faceless Assessment 2020” was organised by SIRC on 11th September, 2020. Chief Guest was Dr G M DOSS Commissioner Income Tax, now Addl. Director General (Vigilance - South Zone). CMA S S VINOTH KUMAR, Tax Consultant was the resource person. CMA H. Padmanabhan, Council Member – ICAI hosted the event and welcomed the Chief Guest, Guest Speaker and CMA Dignitaries and Members to the event. He appreciated the TRD for initiating the program & SIRC for organizing the program. CMA Rakesh Balla, Chairman, Direct Taxation Committee, thanked the Chief Guest and Guest Speaker for accepting the invite to address the CMA members, in spite of their busy schedule. He also thanked Shri Narendra Modi, Hon’ble Prime Minister of India, for introducing the ‘Faceless Assessment’ Scheme, a transparent and relevant scheme during the COVID-19 pandemic. CMA (Mrs.) Jyothi Satish, Chairperson – SIRC in her opening remarks said that it is our pleasure and privilege to invite all as per the directive from HQ for this PD Programme on ‘Faceless Assessment 2020’. In her address, Chairperson – SIRC highlighted that ‘Time is more important’ in the present day world. ‘Faceless Assessment’ scheme is a very good initiative by the Govt. during the present pandemic situation and surely Cost Accountants will play an important role in bridging the gap between the Government and the stakeholders. She also thanked the Institute, especially Taxation Committees and RC & Chapters Coordination Committee for organising this Programme for the benefit of the members at the right time and while concluding she introduced the Chief Guest Dr.G M Doss, Commissioner of IT, Chennai and Addl. Director General (Vigilance – South Zone) & recalled & appreciated the one Day seminar by him & team at SIRC last year. The Chief Guest Dr. G.M. Doss in his address expressed his happiness in addressing CMA Members who involve themselves in nation building activities. The Resource Person, CMA S.S. Vinoth Kumar, Tax Consultant from Chennai who was introduced by CMA (Mrs.) Jyothi Satish, Chairperson – SIRC in his address mentioned that the Chief Guest covered all the major topics to be addressed by him and hence wished to address a few, specific topics, viz. ‘Historical Evolutions’, ‘Faceless Assessment Ecosystem’ and ‘ Powers with Jurisdictional AO’. He also brought some

practical points/issues, to the notice of the Chief Guest. As part of the programme, question-answer session was held during which Dr G M Doss, addressed the queries raised by the participants. CMA (Mrs.) Jyothi Satish, Chairperson – SIRC, in her concluding remarks pointed out that the enormous knowledge and varied work experience of the Chief Guest was visible in his deliberation of the topic ‘Faceless Assessment’ & he has passionately explained the step-by-step processes involved there in. She expressed heartfelt gratitude to Chief Guest for being present with the CMA Professionals throughout the program and sharing his valuable inputs. CMA Rajat kumar Basu, Secretary, Indirect Taxation Committee – ICAI thanked the Chief Guest and Resource Person for their valuable and thought-provoking address on ‘Faceless Assessment’. PG & Research Department of Commerce, Dwaraka Doss Goverdhan Doss Vaishnav College, Chennai inaugurated the 3rd batch crash course in GST organised in association with the Tax Research Department, The Institute of Cost Accountants of India on 16th September 2020. Prof. S. Seshadrinathan initiated the event with a holistic and spiritual prayer and

ICAI SIRC & TRD Webint On Faceless Assessment



Dr. J. Jayasankar, Head of the Department of Commerce, welcomed the gathering via virtual mode. The Event was presided by CMA Biswarup Basu, Vice President, ICAI. The Students interacted with the Vice President, Key Note speaker and with the other officials of the TRD, Institute. Keynote Address was delivered by CMA Raju Iyer P, Council Member & Chairman – IAASB, ICAI. CMAs H Padmanabhan, Dr. V Murali, Council Members – ICAI & CMA (Mrs.) Jyothi Satish, Chairperson – SIRC conveyed their greetings to the organisers electronically. The event was co-ordinated by CMA RajatBasu, Tax Research Department – ICAI & CMA Rakesh Shankar Ravisankar, Chennai.



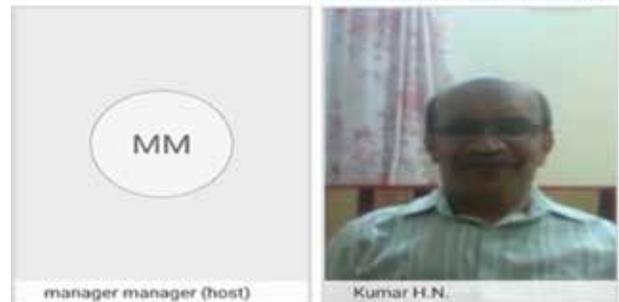
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA COIMBATORE CHAPTER

The Chapter Chairman visited Bharathiyar University on 14th September, 2020 and had a meeting with the Registrar in connection with recognition of CMA qualification for admission to M.Phil/Ph.D. He has presented a representation to the Registrar. Chapter MC Member & past Chairperson CMA Meena Ramji, in-charge of Students' Training & Placement conducted an online meeting with the Chapter students on 20th September, 2020. On request from students a second online meeting was conducted on 11th October, 2020 on the topic 'Tips for Resume writing'. There was a special address by past MC Member CMA C R Shivkumaran, Company Secretary, Lakshmi Machine Works Limited, Coimbatore to the students on the topic. The Chapter Jointly with the Department of Commerce, Hindusthan College of Arts & Science, Coimbatore organised "Kahoot-T20 National Level Commerce Quiz Competition" from 19.09.2020 to 29.09.2020. The competition was conducted online. The Chapter Chairman conducted online career counselling programs to the students at local Colleges on various dates of August and September 2020.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA BANGALORE CHAPTER

The Chapter organized various professional development meets on "Impact of new technologies like Artificial Intelligence on the work of Finance Professionals", "Occupational Fraud - An Introduction", "An Insight into the Employees' Pension Scheme 1995", "Revenue from

contracts with Customers' Ind AS 115", "Public Procurement Management – Policy, Process & Reforms" (with reference to Govt. of India & Govt. of Karnataka), "Business Ethics" on various dates of September 2020. Shri M. Madhava, Management Consultant - Insurancetech, CMA Guruprasad V.- Management Consultant, Shri S.K. Manjunath, Former Provident Fund Commissioner - Bengaluru II, Karnataka, Ministry of Labour and Employment, GOI, CMA S. RudraPrakash, Technical Accountant, Corporate Financial Reporting – HP Inc, Shri. Rajeswar H.N, Consultant – Public Procurement Management, CS Gopalakrishna Hegde, Chairman, STRTA Consulting Services Pvt. Ltd., Former Member – National Council, ICSI, Delhi were the speakers of the Meets. Dhee-Vikasa Students Study Circle Meeting on Mutual Funds and M S Excel Practical Approach were organized by the chapter.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA KOZHIKODE MALAPPURAM CHAPTER

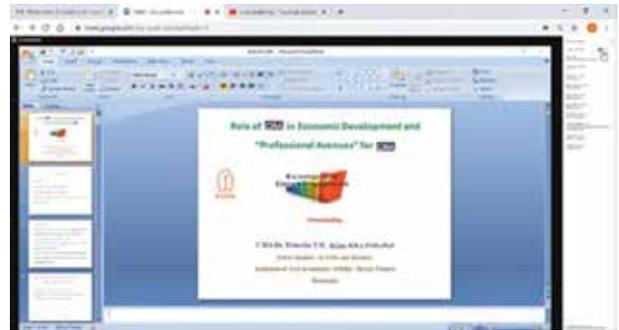
A MoU was signed between the Chapter and St.Joseph's College, Devagiri in Calicut on 30th September, 2020. CMA Askarali P.C, Chairman of the chapter, Mr. Bony Augustine, Administrator of St.Joseph's College, Devagiri, Mr Sunil M Antony, Director of St.Joseph's College, Devagiri &

Mr.CMA Vijith.P, Treasurer of the chapter attended the programme.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA MYSURU CHAPTER

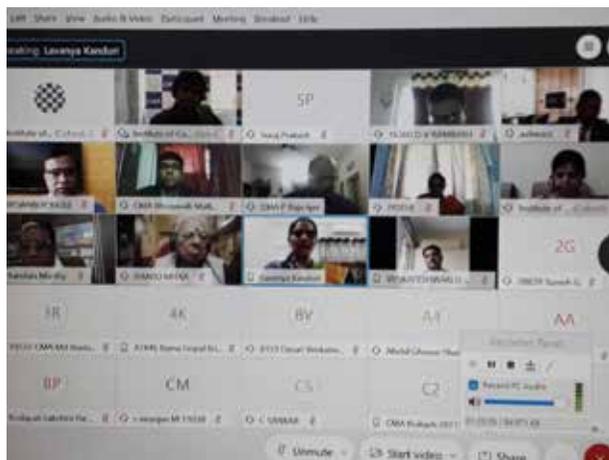
Sarada Vilas College, Department of Commerce and Business Administration Internal Quality Assurance Cell, Krishnamurthypuram, Mysuru in association with The Institute of Cost Accountants of India-Mysuru Chapter had organized a Webinar on “Role of CMA Professionals in Economic Development and Professional Avenues for CMAs” on 12th October 2020. Smt. Dr. Jyothi. A.N. Assistant Prof.PG Centre, HOD department of Commerce and business Administration of Saradavilas college welcomed the participants and told that today’s platform is to gain the knowledge. The seminar was inaugurated by Prof. Sathyanarayana, Dean Department of Commerce, Saradavilas college.CMA Dr.Tinesha. T.R. Secretary of the chapter was a Resource Person for the Webinar who spoke about “The Role of CMA professionals in Economic Development and Professionals Avenues for CMAs” with his valuable inputs through Power Point Presentation. CMA Ashok Kumar M, Chairman of the chapter was the invitee and he was present throughout the webinar. Sri. Parthasarathy. B.S. President, Sri.K. Srinath Ho. Secretary and Smt. Dr.Devika, Principal of Saradavilas Educational Institution was also present. Smt. Arpitha.K., Asst. Professor PG centre M.Com Saradavilas College Mysuru proposed vote of thanks.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA HYDERABAD CHAPTER

On September 1, 2020 the chapter organized a Course on Company Law Works by Practising Cost and Management Accountants – Session 2. CMA P. Chandra Sekhara Reddy detailed how-to increase the authorized capital of a company, practical aspects of the draft resolutions and contents in the E-forms etc. On September 6, 2020 the chapter organized a programme on scope of Internal Audit for CMAs and risk-based internal audit. CMA Dr. A.S. Durga Prasad Garu CMA Dr K. Ch. A.V.S.N. Murthy Garu acknowledged the contribution of CMA B.B. Goyal towards our profession. CMA Dr K.Ch. A.V.S.N. Murthy Garu emphasized the importance of the Internal Audit by giving example about “TOSHIBA.” CMA Raju Iyer told that Internal Audit is an area where our professionals get a lot of opportunities. CMA GOYAL deliberated Conceptual and practical issues in an excellent manner. His presentation covered Internal Audit Importance, objectives of Internal Audit, Skills of Internal Audit, Scope of Internal Audit, Core Principles of Internal Audit, Internal Audit Standards, and Legal Provisions on Internal audit, Glossary of important terms used in Internal Audit etc. On 13.09.2020 the chapter organized a programme on Internal Audit in Cement Industry. CMA U. Lakshmana Rao gave a very exhaustive presentation that covers Glossary of Terms in Cement Industry, Overview of Cement Industry, Process of Manufacture, Special Transactions to Cement Industry, Internal Audit of Operational Areas of Cement Industry, Effectiveness of Internal Audit in Cement Industry, Key Performance Indicators vis-à-vis benchmarking, Internal Audit of Functional Areas, Cost Audit in Cement Industry, Industry 4.0 in Cement industry, Cost of Setting up of New Cement Plant in India etc. On September 16, 2020 the chapter organized a programme on Building competitive advantage through Mgt. Accounting tools & techniques – A case study. Sri J. H. Rao explained the importance of Accounting tools & Techniques, Key challenges, strategies, Cost of capital, Industrial structure analysis, customer segmentation, key elements, the strategy choice cascade, Strategy map etc. As a part of “Capacity Building for CMAs’ The Hyderabad Chapter has declared September month as Internal audit month. The Chapter has organised a series of webinars on “Capacity Building for CMAs on Internal Audit “and invited eminent resource persons and dignitaries to these programmes. On September 20, 2020 the chapter organized a programme on Internal

Audit for Process Efficiency – CMA K.S.N. Murthy & Forensic Angle on Internal Audit -Speaker CMA Mrityunjay Acharjee, Practicing Cost Accountant. CMA K.S.N. Murthy with his authoritative knowledge explained about statutory provisions, About Internal Audit, Audit Universe, how internal audit starts, planning an Internal Audit, Eight areas of waste, The Five Cs and Risk and Internal Audit, Risk Appraisal, Process Effectiveness vs Process efficiency, Stages in-process review, Process Efficiency Metrics, Cost Control strategies, Cost Control Methods, Internal Controls, types of Controls etc. Forensic audit has gained a lot of importance in recent days. CMA Mrityunjay Acharjee explained the benefits of using technology in forensic audit, skills required by a forensic auditor, identifying and analyzing the possibility of fraud etc. In order to facilitate the companies registered in India to make a fresh start on a clean slate, The Ministry of Corporate Affairs has decided to take certain alleviative measures for the benefit of all companies on September 22, 2020. CS N. Varalakshmi, Practising CS, Insolvency Professional, Register valuer explained about those measures and circulars. Shri Josekutty VE, ROC was invited as chief guest for this programme. The chapter on 27.09.2020 organized a programme on Internal Audit in the Era of New Normal, Valedictory session & Release of souvenir. This programme started with Panel discussion. CMA B. Mallikharjuna Gupta, Chief Taxologist - Logo Infosoft, CMA Suraj Prakash – Director (Finance) – BEML Ltd, Shri T. Neelakanta Menon- President- IIA-Hyderabad Chapter, CMA Ashwani Kumar Agarwal,- Founder Team – AAKA took part in the panel discussion. The programme was followed by a Valedictory Session. CMA Biswarup Basu – President, CMA P. Rajulyer – Vice President and CMA K. Ch. A.V.S.N. Murthy- CCM of our Institute and CMA Jyothi Satish –Chairperson-SIRC of ICMAI were invited during the session.



WESTERN INDIA REGIONAL COUNCIL

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

The Chapter conducted webinar on ‘Preparation of Resolution Plan under IBC’ on 6th September, 2020

through Google Digital platform. CMA Pradeep Deshpande, Secretary welcomed all the members present for the webinar. He has introduced the speaker CMA L D Pawar, Practicing Cost Accountant and Past Chairman – WIRC of ICAI. CMA L D Pawar in speech focused on the objectives of IBC Code. The Chapter conducted webinar on ‘Effective and Useful Cost Audit in Manufacturing Industries’ on 12th September, 2020 through Google Digital platform. CMA Jayant Hampiholi, Chairman welcomed all the members present for the webinar. He has introduced the speaker CMA Dhananjay Kumar Vatsyayan, Practicing Cost Accountant. CMA Dhananjay Vatsyayan in speech started with types of Products and the Specifications in Industries. He gave the examples accordingly such as Automobile, Mobile, Pharmaceuticals, Chemicals, and Sugar etc. CMA Pradeep Deshpande, Secretary of the chapter gave the vote of thanks. The Chapter conducted webinar on ‘Total Cost Management’ on 19th September, 2020 through Google Digital platform. CMA Pradeep Deshpande, Secretary has welcomed all the members present for the webinar. He has introduced the speaker CMA Ashish Inamdar, Practicing Cost Accountant. CMA Ashish Inamdar in his speech said, our mission is to help our clients prosper by providing them with a wide array of Professional Business and individual services, products and solutions to help them better manage their resources. CMA Sagar Malpure, Managing Committee Member – PCA Chapter gave the vote of thanks. The Chapter conducted webinar on ‘Unlock o Take-Off – A Paradigm shift for CMA’s’ on 26th September, 2020 through Google Digital platform. CMA Ashish Deshmukh, Past Chairman of PCA Chapter has welcomed all the members present for the webinar. He has introduced the speaker CMA Gopal Bhutada, Head – Business Finance, Tata Motors Ltd. In live industry experiences he said that there are few key imperatives to ensure a strong cost strategy. A well-aligned organisation is key to drive long-term sustainability of benefits of cost strategy. The session was well interactive. The seminar was attended by members in practice, members from industries, professionals and students in large numbers. CMA Pradeep Deshpande, Secretary of the Chapter gave the vote of thanks.

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
SURAT SOUTH GUJARAT CHAPTER**

The Chapter organized a social awareness Program on “Positivity in Adversity” on 19th Sep. 2020 through the google meet. Speaker of the Program was Swami Shree Gnanvatsaldasji from BAPS- Swaminarayan. The Chairman, CMA Bharat Savani presented a welcome address and Immediate Past Chairman, CMA Brijesh Mali gave introduction of the speaker to the members. Swamiji commenced the session and spoke about how to be positive in this pandemic situation by illustrating the examples of successful people around the world and answered several questions from the members. CMA Pankaj Kannaujiya, Secretary presented formal vote of thanks to the speaker and participants. By taking all necessary safety precautions & following the Government & HQ guidelines, the Chapter

hosted a Press Meet at the Chapter's campus. CMA Bharat Savani, (Chairman), CMA Nanty Shah (Vice Chairman) CMA Brijesh Mali (Immediate Past Chairman), CMA Kishor Vaghela, CMA Mahesh Bhalala (Managing Committee Members) and students joined the Meet. The Press Meet was being held for the declaration of results for foundation exam held for June 2020 term the exam was held online and in September due to Covid Pandemic. The Chapter organized a webinar on the subject of "Various Opportunities & products for CMAs & CMA students offered by Bank of Baroda" on 26th Sep 2020 through google meet. CMA Bharat Savani (Chairman) presented formal welcome address to all the participants. CMA Nanty Shah (Vice Chairman), CMA Keval Shah (Treasurer), CMA Kishor Vaghela and CMA Mahesh Bhalala – Managing Committee Members introduced the speakers to the participants. She spoke about how professions are being affected due to COVID 19 and the extensions made by the government to file the returns for TDS, Income Tax, GST and Corporate Law. The Chapter organized a Webinar on the subject of "Practical Issues Faced While Filing GSTR 9,9C and GST Audit" on 30th September 2020 through Google Meet. Chief Guest for the program was CMA Harshad Deshpandey, Chairman WIRC. Accompanied with CMA Dinesh Kumar Birla, Vice Chairman- WIRC, CMA Vikas Deodar, Past President- ICAI. CMA Nanty Shah (Vice-Chairman) recognized the presence of all dignitaries. CMA Bharat Savani (Chairman-Surat South Gujarat Chapter) presented the formal welcome address and also introduced the Chief Guest by briefing his profile & achievements to all the participants. CMA Dinesh Birla and CMA Vikas Deodar also graced the occasion by saying few words to the audience. CMA Manubhai Desai, Past Chairman of WIRC & Chapter graced the Occasion with briefing members and showering them with blessings and good luck. CMA Keval Shah (Treasurer -SSGC) introduced CMA Nidhi Bhandhari, Speaker to the audience. CMA Nidhi commenced her session and gave a brief on Annual Return GSTR9. CMA Bhanwarlal Gurjar (Vice Chairman-SSGC) introduced the second speaker CMA Dr. Shailendra Saxena- Past Chairman- SSGC. Shailendra Sir guided all the participants about The Practical Aspects of GSTR 9C & GST Audit. At the end of the session the speaker answered the queries of the participants. CMA Kishor Vaghela, Managing Committee Member of the Chapter presented formal vote of thanks.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA AHMEDABAD CHAPTER

The Chapter organized various CEP Programs during Aug-Sept'20 for the members. The Program was inaugurated by welcome speech given by CMA Malhar Dalwadi, Secretary of Chapter. CMA Haren Bhatt, Chairman of Chapter and CMA Dakshesh Choksi, Chairman of PD Committee welcomed faculties during the session. There were many members, who have attended the programs organized by Chapter. The 3 days series workshop was also attended by many of Intermediate students as a part of their computer training. The programs were well appreciated by participants. CMA Malhar Dalwadi proposed vote of thanks.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA NASIK OJHAR CHAPTER

The Chapter organized a Live session for members and other stakeholders on 9th September 2020 on "Data Analytics". Chairman of chapter, CMA Kailash Shinde welcomed the speakers and the participants. The speaker for the session was Dr. CMA Shilpa Parkhi, a Practicing Cost Accountant and Past Chairman of Nashik Ojhar Chapter. She explained the types of data analytics to improve the decision making process, how to choose the most appropriate data analytic tools etc. The session ended with a vote of thanks given by CMA Nikhil S. Pawar. The Chapter recently conducted a virtual Felicitation Programme for all foundation passed students on 27th Sept 2020. The Institute conducted for the first time an online exam for foundation due to a pandemic COVID 19 situation. The chief guest for said event was CMA R.K. Deodhar, (Past Chairman of Nasik Chapter) and CMA Chaitanya Moharir, Committee member of WIRC felicitated the successful students and guided them for future study and courses. The programme was attended by all successful students through the online mode. The Programme was coordinated by student Amit Jadhav and CMA Maithili Malpure (Oral coaching Faculty). Chairman CMA Kailas Shinde delivered his Chairman Speech and gave warm wishes to students on their success. CMA Nikhil S. Pawar (Managing Committee Member) addressed the students about various training conducted by the Chapter. CMA Mayur Nikam, Secretary of the chapter also wished students for their future career. Vote of thanks was given by CA Deepak Jagtap, (Treasurer).

DIRECT & INDIRECT TAX UPDATES - OCTOBER 2020

DIRECT TAXES

- ⊙ **Notification No 82/2020 dated 1st Oct 2020:** The Central Board of Direct Taxes hereby makes further amendment the Income-tax Rules, 1962, may be called the Income-tax (22nd Amendment) Rules, 2020.

in rule 5, in sub-rule (1), for the proviso, the following proviso shall be substituted, namely: - “Provided that the allowance under clause (ii) of sub-section (1) of section 32 in respect of depreciation of any block of assets entitled to more than forty per cent shall be restricted to forty per cent on the written down value of such block of assets in case of –

(i) a domestic company which has exercised option under sub-section (4) of section 115BA, or under sub-section (5) of section 115BAA, or under sub-section (7) of section 115BAB; or

(ii) an individual or Hindu undivided family which has exercised option under sub-section (5) of section 115BAC; or

(iii) a co-operative society resident in India which has exercised option under sub-section (5) of section 115BAD:

Provided further that, for the purposes of section 115BAA, if the following conditions are satisfied, namely: -

(i) option under sub-section (5) thereof is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2020;

(ii) there is a depreciation allowance, in respect of a block of asset, from any earlier assessment year or allowance of unabsorbed depreciation deemed so under section 72A, which is attributable to the provisions in clause (iia) of sub-section (1) of section 32; and

(iii) such depreciation or allowance for unabsorbed depreciation is not allowed to be set off under clause (ii) or clause (iii) of sub-section (2) thereof, the written down value of the block of asset as on the 1st day of April, 2019 shall be increased by such depreciation or allowance for unabsorbed depreciation not allowed to be set off

Provided also that, for the purposes of section 115BAC and section 115BAD, if the following conditions are satisfied, namely: -

(i) the option under sub-section (5) of the respective section is exercised for a previous year relevant to the assessment year beginning on the 1st day of April, 2021;

(ii) there is a depreciation allowance, in respect of a block of asset, from any earlier assessment year which is attributable to the provisions in clause (iia) of sub-section (1) of section 32; and

(iii) such depreciation is not allowed to be set off under sub-clause (a) of clause (ii) of sub-section (2) of section 115BAC or clause (ii) of sub-section (2) of section 115BAD,

the written down value of the block of asset as on the 1st day of April, 2020 shall be increased by such depreciation not allowed to be set off.

- ⊙ **Notification No 83/2020 dated 19th Oct 2020:** In exercise of the powers conferred by the third proviso to sub-section (2) of section 92C of the Income-tax Act, 1961 (43 of 1961)(hereinafter referred to as the said Act), read with proviso to sub-rule (7) of rule 10CA of the Income-tax Rules, 1962, the Central Government hereby notifies that where the variation between the arm’s length price determined under section 92C of the said Act and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed one per cent of the latter in respect of wholesale trading and three per cent of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually been undertaken shall be deemed to be the arm’s length price for assessment year 2020-2021.

For the purposes of this notification, “wholesale trading” means an international transaction or specified domestic transaction of trading in goods, which fulfils the following conditions, namely:- (i) purchase cost of finished goods is eighty per cent. or more of the total cost pertaining to such trading activities; and (ii) average monthly closing inventory of such goods is ten per cent or less of sales pertaining to such trading activities.

- ⊙ **Notification No 84/2020 dated 22nd Oct 2020:** Vide Notification No. 84 /2020, dated 22 October, 2020, Rule 67 of the Income-tax Rules, 1962 has been amended. The said amendment shall be effective from Assessment Year 2021-22 and subsequent years.

- ⊙ **Notification No 85/2020 dated 27th Oct 2020:** In exercise of the powers conferred by section 3 of the Direct Tax Vivad se Vishwas Act, 2020 (3 of 2020), the Central Government hereby notifies that the (a) 31st day of December, 2020 shall be the date, on or before which a declaration shall be filed to the designated authority, by the declarant, in accordance with the provisions of section 4 of the said Act in respect of tax arrear (b) 31st day of March, 2021 shall be the date on or before which the amount payable under the said Act shall be paid as per third column of the Table to section 3 of the said Act; and (c) 1st day of April, 2021 shall be the date on or after which the amount payable under the said Act shall be paid as per fourth column of the Table to section 3 of the

said Act.

- ⊙ **Notification No 86/2020 dated 28th Oct 2020:** In exercise of the powers conferred by sub-section (1) of section 280A of the Income-tax Act, 1961 (43 of 1961) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 37/2018 dated the 8th August, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 3942(E), dated the 8th August, 2018, except as respects things done or omitted to be done before such supersession, the Central Government, in consultation with the Chief Justice of the Gauhati High Court, hereby designates the Court of Munsiff No. 3-cum-Judicial Magistrate, 1st Class, Kamrup (M), Guwahati as the Special Court for the States of Assam, Nagaland, Mizoram and Arunachal Pradesh for the purposes of the said sub-section.

- ⊙ **Notification No 87/2020 dated 28th Oct 2020:** In exercise of the powers conferred by sub-section (1) and sub-section (2) of Section 179 of the Finance Act, 2016 (28 of 2016), the Central Government hereby makes the following rules to amend the Equalisation levy Rules, 2016.

In the Equalisation levy Rules, 2016 (hereinafter referred to as the said rules), in rule 2, after clause (a), the following clause shall be inserted, namely:- ‘(aa) “electronic verification code” means a code generated for the purpose of electronic verification of the person furnishing the statement of specified services as per the data structure and standards laid down by the Principal Director- General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be.

In the said rules, in rule 3

(a) in the heading, the words “for specified services” shall be omitted; (b) for the words “The amount of consideration, for specified services and”, the words, “The amount of consideration” shall be substituted.

In the said rules, for rules 4 and 5, the following shall be substituted, namely:-

“4. Payment of Equalisation levy. — The assessee or e-commerce operator, as the case may be, who are required to deduct and pay equalisation levy, shall pay the amount of such levy, by remitting it into the Reserve Bank of India or in any branch of the State Bank of India or of any authorised Bank accompanied by an equalisation levy challan.

5. Statement of specified services or e-commerce supply or services. — (1) The statement required to be furnished under sub-section (1) or sub-section (2) of section 167 of the Act shall be in Form No. 1, duly verified in the manner indicated therein, and may be furnished by the assessee or e-commerce operator, as the case may be, in the following manner, namely:-

- (i) electronically under digital signature; or (ii)

electronically through electronic verification code.

The statement in Form No. 1 required to be furnished under sub-section (1) of section 167 of the Act shall be furnished on or before the 30th day of June immediately following that financial year.

The Principal Director-General of Income-tax (Systems) or Director General of Income-tax (Systems), as the case may be, for the purpose of ensuring secure capture and transmission of data, shall- (i) lay down the procedure for electronic filing of Form No.1; (ii) lay down the data structure, standards and manner of generation of electronic verification code, referred to in sub rule (2), for the purpose of verification of the person furnishing the said form; (iii) be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to the said form so furnished; and (iv) specify the manner of furnishing the revised statement required to be furnished under sub-section (2) of section 167 of the Act.

In the said rules, in rule 6,

(a) in the heading, after the words “specified services” the words “or e-commerce supply or services” shall be inserted; (b) for the words “Where an assessee fails”, the words, “Where an assessee or e-commerce operator, as the case may be, fails” shall be substituted.

- ⊙ **Notification No 88/2020 dated 29th Oct 2020:** —In exercise of the powers conferred by sub-section (1) of section 3 of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (38 of 2020) (hereinafter referred to as the Act), the Central Government hereby specifies, for the purpose of the said sub-section (1), that, in a case where the specified Act is the Income-tax Act, 1961 and the compliance for the assessment year commencing on the 1st day of April, 2020, relates to

(i) furnishing of return under section 139 thereof, the time-limit for furnishing of such return, shall –

(a) in respect of the assessee referred to in clauses (a) and (aa) of Explanation 2 to sub-section (1) of the said section 139, stand extended to the 31st day of January, 2021

(b) in respect of other assessee, stand extended to the 31st day of December, 2020.

Provided that the provisions of the fourth proviso to sub-section (1) of the Act shall, mutatis mutandis apply to these extensions of due date, as they apply to the date referred to in sub-clause (b) of clause (i) of the third proviso thereof.

(ii) furnishing of report of audit under any provision of that Act, the time-limit for furnishing of such report of audit shall stand extended to the 31st day of December, 2020.

- ⊙ **Circular No. 18/2020 dated 28th Oct 2020:**

Clarifications in respect of the Direct Tax Vivad se Vishwas Act, 2020. With the objective to reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process, the Direct Tax Vivad se Vishwas Act, 2020 (hereinafter referred to as ‘Vivad se Vishwas’) was enacted on 17th March, 2020. The provisions of Vivad se Vishwas had been amended by the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 to provide certain relaxation in view of the COVID-19 pandemic and also to empower the Central Government to notify certain dates.

The Central Government vide the notification S.O. 3847(E), dated 27th October, 2020, has extended the date for payment without additional amount under Vivad se Vishwas from 31 st December, 2020 to 31 st March, 2021. The said notification also notified the last date for filing declaration under Vivad se Vishwas as 31 st December, 2020.

Under the existing provisions of sub-section (2) of section 5 of the Vivad se Vishwas, the declarant is required to pay the amount within a period of 15 days from the date of receipt of certificate from the designated authority. However, as per the aforesaid notification, a declarant who files declaration on or before 31 st December, 2020 can make payment without additional amount on or before 31 st March, 2021. Hence, requiring payment by the declarant within a period of 15 days from the date of receipt of certificate from the designated authority may result into undue hardship for the declarant in whose case the period of 15 days expires before 31st March, 2021.

In order to mitigate undue hardship and remove difficulty that may be caused by the aforesaid requirement of payment within 15 days from the date of receipt of certificate from the designated authority, in exercise of powers conferred under section 10 and 11 of Vivad se Vishwas, it is hereby clarified that where a declarant files a declaration under Vivad se Vishwas on or before 31 st December, 2020, the designated authority, while issuing the certificate under sub-section (1) of section 5 of the Vivad se Vishwas, shall allow the declarant to make payment without additional amount on or before 31 st March, 2021.

INDIRECT TAXES

Customs

- ⊙ **Notification No. 36/2020 – Customs dated 5th Oct 2020:** - In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being

satisfied that it is necessary in the public interest so to do, hereby makes amendment in the notification of Government of India, in the Ministry of Finance (Department of Revenue), No. 13/2020- Customs, dated the 14th February, 2020. In the said notification, in paragraph 2, in clause (1) in sub-clause (c), for the figures, letters and word “31st March, 2020”, the figures, letters and words “31st March, 2021 or until such date the RoSCTL scheme is merged with the Remission of Duties and Taxes on Exported Products scheme, whichever is earlier”, shall be substituted.

- ⊙ **Notification No. 37/2020-Customs dated 20th Oct 2020:** In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) read with rule 9 of the India-Korea Comprehensive Economic Partnership Agreement (Bilateral Safeguard Measures) Rules, 2017, the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.152/2009-Customs, dated the 31st December, 2009.

In the said notification in the Table, (i) against serial number 342A, for the entry in column (3), the entries “Polybutadiene Rubber excluding titanium and lithium grades”, shall be substituted; (ii) after serial number 342A and the entries relating thereto, the following serial number and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)
“342B	400220	All goods other than those mentioned against serial number 342A	0.00”;

In the second proviso, in clause (b), for the word, figures and letter “number 342A”, the word, figures and letter “numbers 342A and 342B”, shall be substituted.

- ⊙ **Notification No. 38/2020-Customs dated 21st Oct 2020:** - In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) (hereinafter referred to as the said Act), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods, when imported into India against a duty credit scrip (hereinafter referred to as the said scrip) issued by the Regional Authority under the Scheme for Rebate of State Levies on export of garments and made-ups (hereinafter referred to as the RoSL scheme) in accordance with paragraph 4.01(d) of the Foreign Trade Policy read with paragraphs 4.97 and 4.98 of the Handbook of Procedures from

(a) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act); and

(b) the whole of additional duty leviable thereon under sub sections (1), (3) and (5) of section 3 of the said Customs Tariff Act.

The exemption shall be subject to few conditions.

- Notification No. 39/2020-Customs dated 28th Oct 2020:** In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 50/2017- Customs, dated the 30th June, 2017.

In the said notification, in the first proviso, against item (ii) of clause (e), for the figures, letters and words “31st day of October, 2020.”, the figures, letters and words “31st day of December, 2020.” shall be substituted.

- Notification No. 40/2020-Customs dated 28th Oct 2020:** Seeks to prescribe concessional Basic customs duty rate on potato imports with the prescribed quota (TRQ) till the 31st January, 2021. In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (3) of the Table below, and falling within the sub-heading or tariff item of the First Schedule to the said Customs Tariff Act, 1975, as are specified in the corresponding entry in column (2) of the said Table in such quantity of total imports of such goods in a financial year, as specified in column (4) below (herein after referred to as the ‘tariff rate quota (TRQ) quantity’), when imported into India, from so much of the duty of customs leviable thereon under the said First Schedule as is in excess of the amount calculated at the rate specified in the corresponding entry in column (5) of the said Table (herein after referred to as the In-quota tariff rate).

Sub-heading or tariff item	Description of goods	Tariff rate quota quantity	In-quota tariff rate	Condition No.
0701	Potatoes	10,00,000 MT	10%	1
Condition No	Condition			
1	(a) The TRQ is allotted to the importer by the Directorate General of Foreign Trade, in accordance with the relevant procedure as specified in the Hand Book of Procedure 2015-20. (b) The TRQ authorization shall contain name and address of the importer, IEC code, Customs notification No., sub-heading or tariff item as applicable, quantity and validity period of certificate. (c) The TRQ authorization shall be issued electronically by the Directorate General of Foreign Trade and transmitted to ICES system. (d) Imports made against the TRQ shall be allowed only upon debiting electronically in the ICES system			

Provided that nothing contained in this notification shall apply to the goods specified against serial number 1 of the said Table after the 31st day of January 2021.

- Notification No. 41/2020-Customs dated 29th Oct 2020:** In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 16/2017-Customs, dated the 20th April, 2017.

In the said notification, in the Table, for the entries in column (3) and column (4) at the serial numbers given in column (1) of the Table below, the corresponding entries at column (2) and column (3) of the Table below shall be substituted, namely:

1	2	3
17	Win for Patients- Cancer Care/ Umaang	Novartis Healthcare Private Limited
18	Win for Patients- Cancer Care/ Umaang	Novartis Healthcare Private Limited
19	Win for Patients- Cancer Care/ Umaang	Novartis Healthcare Private Limited
20	Win for Patients- Cancer Care/ Umaang	Novartis Healthcare Private Limited
21	Win for Patients- Cancer Care/ Umaang	Novartis Healthcare Private Limited
22	Win for Patients- Cancer Care/ Umaang	Novartis Healthcare Private Limited
43	Sutent Patient Assistance Programme - STAR	Pfizer Products India Private Limited
44	Crizalk Patient Assistance Programme - STAR	Pfizer Products India Private Limited
45	Inlyta Patient Assistance Programme - STAR	Pfizer Products India Private Limited
46	Palbace Patient Assistance Programme - PRERNA	Pfizer Products India Private Limited
47	Enbrel Patient Assistance Programme	Pfizer Limited
48	Xeljanz Patient Assistance Programme	Pfizer Limited
49	Genotropin Patient Assistance Programme	Pfizer Products India Private Limited
50	Atgam Patient Assistance Programme	Pfizer Products India Private Limited
51	Aromasin Patient Assistance Programme	Pfizer Products India Private Limited
52	Campto Patient Assistance Programme	Pfizer Products India Private Limited

- ⊙ **Circular No 44/2020 dated 8th Oct 2020:** Procedure for inspection of ICDS/CFSS/AFSS.
- ⊙ **Circular No 45/2020 dated 12th Oct 2020:** Faceless Assessment - Measures for timely assessment of Bills of Entry and clarification on defacement of physical documents
- ⊙ **Circular No.46/2020-Customs dated 15th Oct 2020:** Testing of outside samples by Revenue Laboratories. CRCL laboratories are now equipped to test samples which are hitherto forwarded to Food Safety and Standards Authority of India (FSSAI), Central Drug Standard and Control Organization (CDSCO) and Textile Committee in order to improve proficiency, ensure optimum utilization of equipment and other resources.

Accordingly, the Board prescribes the following guidelines:

(i) As Revenue Laboratories can deal with the samples related to Drug Controller, FSSAI & Textile Committee, all the customs samples, are preferably be tested in the Revenue Laboratories only.

(ii) In case facility to test particular commodity or parameter is not available in the nearest Revenue Laboratory, such cases shall be referred to the nearest government laboratory where such facility is available.

(iii) CRCL, New Delhi shall also function as Referral Laboratory along with other referral laboratories in Pharma, Textile & Food.

(iv) Whenever CRCL laboratories are not in a position to carry out a test, they shall make use of nearest CDSCO/FSSAI approved laboratories/Textile Committee.

- ⊙ **Circular No. 47/2020-Customs dated 20th Oct 2020:** Contactless delivery of international courier consignments. Representations have been received by the Board from the Express Courier Industry for allowing contactless delivery of international courier consignments in lines with the OTP based contactless delivery being adopted by the domestic courier companies. The said request is with a view to maintain the required social distancing considering the COVID-19 pandemic.

The OTP based validation will be an alternative means of obtaining proof of delivery to the existing procedure of taking physical signatures. Thus, the authorized couriers will obtain the proof of delivery either by taking the physical signatures or through OTP based validation.

The Authorised courier shall maintain the data relating to generation and validation of OTP as a proof of delivery for a period of 5 years. The full audit trail of the process shall be made available to the officer of customs upon request.

- ⊙ **Circular No. 48/2020-Customs dated 27th Oct 2020:** Manufacturing and other operations undertaken in bonded warehouses under Section 65 of the Customs Act, 1962

Excise

- ⊙ **Notification No. 07/2020 – Central Excise dated 21st Oct 2020:** In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) (hereinafter referred to as the said Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in the Fourth Schedule to the said Act, when cleared against a duty credit scrip (hereinafter referred to as the said scrip) issued by the Regional Authority under the Scheme for Rebate of State Levies on export of garments and made-ups (hereinafter referred to as the RoSL scheme) in accordance with paragraph 4.01(d) of the Foreign Trade Policy read with paragraphs 4.97 and 4.98 of the Handbook of Procedures from the whole of the duty of excise leviable thereon under the Fourth Schedule to the said Act.

The exemption shall be subject to few conditions.

GST

- ⊙ **Notification No. 05/2020 - Central Tax (Rate) dated 16th Oct 2020: To amend notification No. 12/2017- Central Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42nd meeting held on 05.10.2020.** In exercise of the powers conferred by sub-sections (3) and (4) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.12/2017- Central Tax (Rate), dated the 28th June, 2017.

In the said notification, in the Table, after serial number 19B and the entries relating thereto, the following shall be inserted, namely:

19C	9965	Satellite launch services supplied by Indian Space Research Organisation, Antrix Corporation Limited or New Space India Limited.	Nil	Nil
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- ⊙ **Notification No. 73/2020 – Central Tax dated 1st Oct 2020:** In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the registered persons required to prepare the tax

invoice in the manner specified under sub-rule (4) of rule 48 of the Central Goods and Services Tax Rules, 2017, who have prepared tax invoice in a manner other than the said manner, as the class of persons who shall, during the period from the 1st day of October, 2020 to the 31st day of October, 2020, follow the special procedure such that the said persons shall obtain an Invoice Reference Number (IRN) for such invoice by uploading specified particulars in FORM GST INV-01 on the Common Goods and Services Tax Electronic Portal, within thirty days from the date of such invoice, failing which the same shall not be treated as an invoice.

- Notification No. 74/2020 – Central Tax dated 15th Oct 2020:** In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), the Central Government, on the recommendations of the Council, hereby notifies the registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year, as the class of registered persons who shall follow the special procedure as mentioned below for furnishing the details of outward supply of goods or services or both.

The said registered persons shall furnish the details of outward supply of goods or services or both in FORM GSTR-1 under the Central Goods and Services Tax Rules, 2017, effected during the quarter as specified in column (2) of the Table below till the time period as specified in the corresponding entry in column (3) of the said Table.

Sl No	Quarter for which details in FORM GSTR-1 are furnished	Time period for furnishing details in FORM GSTR-1
1	October, 2020 to December, 2020	13th January, 2021
2	January, 2021 to March, 2021	13th April, 2021

- Notification No 75/2020 – Central Tax dated 15th Oct 2020:-** In exercise of the powers conferred by the second proviso to sub-section (1) of section 37 read with, section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), the Commissioner, on the recommendations of the Council, hereby extends the time limit for furnishing the details of outward supplies in FORM GSTR-1 of the Central Goods and Services Tax Rules, 2017, by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from October, 2020 to March, 2021 till the eleventh day of the month succeeding such month.

- Notification No. 76/2020 – Central Tax dated 15th Oct 2020:** In exercise of the powers conferred by section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the said Act), read with sub-rule (5) of rule 61 of the Central Goods and Services Tax Rules, 2017 (hereafter in this notification referred to as the said rules), the Commissioner, on the recommendations of the Council, hereby specifies that the return in FORM GSTR-3B of the said rules for each of the months from October, 2020 to March, 2021 shall be furnished electronically through the common portal, on or before the twentieth day of the month succeeding such month.

Provided that, for taxpayers having an aggregate turnover of up to five crore rupees in the previous financial year, whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep, the return in FORM GSTR-3B of the said rules for the months of October, 2020 to March, 2021 shall be furnished electronically through the common portal, on or before the twenty-second day of the month succeeding such month.

Provided further that, for taxpayers having an aggregate turnover of up to five crore rupees in the previous financial year, whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi, the return in FORM GSTR-3B of the said rules for the months of October, 2020 to March, 2021 shall be furnished electronically through the common portal, on or before the twenty-fourth day of the month succeeding such month.

Payment of taxes for discharge of tax liability as per FORM GSTR-3B: Every registered person furnishing the return in FORM GSTR-3B of the said rules shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax by debiting the electronic cash ledger or electronic credit ledger, as the case may be and his liability towards interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger, not later than the last date, as specified in the first paragraph, on which he is required to furnish the said return.

- Notification No. 77/2020 – Central Tax dated 15th Oct 2020:** In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to

as the said Act), the Central Government, on the recommendations of the Council, hereby makes the following amendment in the notification of Government of India in the Ministry of Finance, (Department of Revenue), No. 47/2019 – Central Tax dated the 9th October, 2019. In the said notification in the opening paragraph, for the words and figures financial years 2017-18 and 2018-19, the words and figures financial years 2017-18, 2018-19 and 2019-20 shall be substituted.

- ⊙ **Notification No. 78/2020 – Central Tax dated 15th Oct 2020:** In exercise of the powers conferred by the first proviso to rule 46 of the Central Goods and Services Tax Rules, 2017, the Central Board of Indirect Taxes and Customs, on the recommendations of the Council, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.12/2017 – Central Tax, dated the 28th June, 2017. In the said notification, with effect from the 01st day of April, 2021, for the Table, the following shall be substituted

Sl No.	Aggregate Turnover in the preceding Financial Year	Number of Digits of Harmonised System of Nomenclature Code (HSN Code)
1	Up to rupees five crores	4
2	more than rupees five crores	6

Provided that a registered person having aggregate turnover up to five crores rupees in the previous financial year may not mention the number of digits of HSN Code, as specified in the corresponding entry in column (3) of the said Table in a tax invoice issued by him under the said rules in respect of supplies made to unregistered persons.

- ⊙ **Notification No. 79 /2020 – Central Tax dated 15th Oct 2020:** In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), in rule 46, for the first proviso, the following proviso shall be substituted, namely: - “Provided that the Board may, on the recommendations of the Council, by notification, specify- (i) the number of digits of Harmonised System of Nomenclature code for goods or services that a class of registered persons shall be required to mention; or (ii) a class of supply of goods or services for which specified number of digits of Harmonised System of Nomenclature code shall be required to be mentioned by all registered taxpayers; and (iii) the class of registered persons that would not be required to mention the Harmonised System of Nomenclature code for goods or services.”

In the said rules, for rule 67A, the following rule shall be substituted,

“67A. Manner of furnishing of return or details of outward supplies by short messaging service facility.- Notwithstanding anything contained in this Chapter, for a registered person who is required to furnish a Nil return under section 39 in FORM GSTR-3B or a Nil details of outward supplies under section 37 in FORM GSTR-1 or a Nil statement in FORM GST CMP-08 for a tax period, any reference to electronic furnishing shall include furnishing of the said return or the details of outward supplies or statement through a short messaging service using the registered mobile number and the said return or the details of outward supplies or statement shall be verified by a registered mobile number based One Time Password facility. Explanation. - For the purpose of this rule, a Nil return or Nil details of outward supplies or Nil statement shall mean a return under section 39 or details of outward supplies under section 37 or statement under rule 62, for a tax period that has nil or no entry in all the Tables in FORM GSTR-3B or FORM GSTR-1 or FORM GST CMP-08, as the case may be.”

In the said rules, in rule 80, in sub-rule (3), for the proviso, the following proviso shall be substituted,

“Provided that for the financial year 2018-2019 and 2019-2020, every registered person whose aggregate turnover exceeds five crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C for the said financial year, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.”

In the said rules, with effect from the 20th day of March, 2020, in rule 138E, after the third proviso, the following proviso shall be inserted,

“Provided also that the said restriction shall not apply during the period from the 20th day of March, 2020 till the 15th day of October, 2020 in case where the return in FORM GSTR-3B or the statement of outward supplies in FORM GSTR-1 or the statement in FORM GST CMP08, as the case may be, has not been furnished for the period February, 2020 to August, 2020.”

- ⊙ **Notification No. 80 /2020 – Central Tax dated 28th Oct 2020: Seeks to amend notification no. 41/2020-Central Tax dt. 05.05.2020 to extend due date of return under Section 44 till 31.12.2020.** In exercise of the powers conferred by sub-section (1) of section 44 of the Central Goods and Services Tax Act, 2017 (12 of 2017), read with rule 80 of the Central Goods and Services Tax Rules, 2017, the Commissioner, on the recommendations of the Council, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of

Revenue), No. 41/2020 - Central Tax, dated the 5th May, 2020. In the said notification, for the figures, letters and word “31st October, 2020”, the figures, letters and word “31st December, 2020” shall be substituted.

- ⊙ **Circular No. 142/12/2020- GST dated 9th Oct 2020:** Keeping the situation prevailing in view of measures taken to contain the spread of COVID-19 pandemic, vide notification No. 30/2020-CT, dated 03.04.2020, it had been prescribed that the condition made under sub-rule (4) of rule 36 of the CGST Rules shall apply cumulatively for the tax period February, March, April, May, June, July and August, 2020 and that the return in FORM GSTR-3B for the tax period September, 2020 shall be furnished with the cumulative adjustment of input tax credit for the said months.

It is re-iterated that the clarifications issued earlier vide Circular No. 123/42/2019 – GST dated 11.11.2019 shall still remain applicable, except for the cumulative application as prescribed in proviso to sub-rule (4) of rule 36 of the CGST Rules. Accordingly, all the taxpayers are advised to ascertain the details of invoices uploaded by their suppliers under subsection (1) of section 37 of the CGST Act for the periods of February, March, April, May, June, July and August, 2020, till the due date of furnishing of the statement in FORM GSTR-1 for the month of September, 2020 as reflected in GSTR-2As.

Taxpayers shall reconcile the ITC availed in their FORM GSTR-3Bs for the period February, 2020 to August, 2020 with the details of invoices uploaded by their suppliers of the said months, till the due date of furnishing FORM GSTR-1 for the month of September, 2020. The cumulative amount of ITC availed for the said months in FORM GSTR-3B should not exceed 110% of the cumulative value of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 of the CGST Act, till the due date of furnishing of the statements in FORM GSTR-1 for the month of September, 2020.

It may be noted that availability of 110% of the cumulative value of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 of the CGST Act does not mean that the total credit can exceed the tax amount as reflected in the total invoices for the supplies received by the taxpayer i.e. the maximum credit available in terms of provisions of section 16 of the CGST Act.

The excess ITC availed arising out of reconciliation during this period, if any, shall be required to be reversed in Table 4(B)(2) of FORM GSTR-3B, for the month of September, 2020. Failure to reverse such excess availed ITC on account of cumulative

application of sub-rule (4) of rule 36 of the CGST Rules would be treated as availment of ineligible ITC during the month of September, 2020.

The manner of cumulative reconciliation for the said months in terms of proviso to subrule (4) of rule 36 of the CGST Rules is explained by way of illustration, in a tabulated form, below.

Tax period	Eligible ITC as per the provisions of Chapter V of the CGST Act and the rules made thereunder, except rule 36(4)	ITC availed by the taxpayer (recipient) in GSTR3B of the respective months	Invoices on which ITC is eligible and uploaded by the suppliers till due date of FORM GSTR-1 for the tax period of September, 2020	Effect of cumulative application of rule 36(4) on availability of ITC
Feb2020	300	300	270	Maximum eligible ITC in terms of rule 36 (4) is 2450 + [10% of 2450] =2695. Taxpayer had availed ITC of 2750. Therefore, ITC of 55 [2750-2695] would be required to be reversed as mentioned in para 3.4. above.
March 2020	400	400	380	
April 2020	500	500	450	
May 2020	350	350	320	
June 2020	450	450	400	
July 2020	550	550	480	
Aug 2020	200	200	150	
TOTAL	27050	27050	2450	
ITC Reversal required to the extent of 55				
Sep 2020	500	385	350	10% Rule shall apply independently for September, 2020

In the FORM GSTR-3B for the month of September, 2020, the tax payer shall avail ITC of 385 under Table 4(A) and would reverse ITC of 55 under Table 4(B)(2)

Sources:

Incometax portal, cbic.gov.in

NOTIFICATION

Sub: Merging of Intermediate and Final Examinations, 2020

The Institute of Cost Accountants of India announces the merging of June, 2020 Intermediate and Final Examinations with December, 2020.

The Institute of Cost Accountants of India has decided to cancel the rescheduled Intermediate and Final Examination of June, 2020 session to be held from 1st - 10th September, 2020 due to pandemic Novel Corona Virus (COVID- 19) to ensure the interest of all the stakeholders and in particular the candidates/students and merge the June, 2020 examination with December, 2020 examinations, with due carryover of all relevant benefits already available to students including fee payment and subject wise exemption for the Intermediate and Final Examinations to be held in December, 2020.

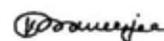
The Intermediate and Final Examinations for the June, 2020 session which have been merged with the December, 2020 Examinations and the Intermediate and Final Examinations' time table and programme details will be released separately on Institute's website.

Examination form already submitted by the candidates/students for the Intermediate and Final Examinations, June, 2020 session will remain same for the Intermediate and Final Examinations to be held in December, 2020. Candidates/students need not apply again.

Candidates/students who have submitted examination form for the Intermediate and Final Examinations, June, 2020 session are allowed to add their Group with payment of differential examination fee for appearing in the Intermediate and Final Examinations to be held in December, 2020.

The candidates/students who have not enrolled for the Intermediate and Final Examinations, June, 2020 session may enrol afresh by submitting online examination form for December, 2020 term of examination.

The candidates/students are advised to keep regularly in touch with the website of the Institute for further notifications and announcements relating to December, 2020 Examinations and in case of any query or clarification can e-mail us at exam.helpdesk@icmai.in.



CMA Kaushik Banerjee
Secretary

INTERMEDIATE AND FINAL EXAMINATION TIME TABLE & PROGRAMME – JUNE 2020 (Merging) AND DECEMBER 2020

PROGRAMME FOR SYLLABUS 2016	
ATTENTION: INTERMEDIATE & FINAL EXAMINATION WILL BE HELD ON ALTERNATE DATES FOR EACH GROUP.	
FINAL	
Day & Date	(Time: 2.00 P.M. to 5.00 P.M.)
Thursday, 10th December, 2020	(Group – III) Corporate Laws & Compliance (P-13)
Friday, 11th December, 2020	(Group – IV) Corporate Financial Reporting (P-17)
Saturday, 12th December, 2020	(Group – I) Financial Accounting (P-05)
Sunday, 13th December, 2020	(Group – II) Operations Management & Strategic Management (P-09)
Monday, 14th December, 2020	(Group – III) Strategic Financial Management (P-14)
Tuesday, 15th December, 2020	(Group – IV) Indirect Tax Laws & Practice (P-18)
Wednesday, 16th December, 2020	(Group – I) Cost & Management Accounting and Financial Management (P-10)
Thursday, 17th December, 2020	(Group – II) Direct Taxation (P-07)
	(Group – III) Indirect Taxation (P-11)
	(Group – IV) Company Accounts & Audit (P-12)

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

- Application Forms for Intermediate and Final Examination has to be filled up through online only and fees will be accepted through online mode only (including Payfee Module of IDBI Bank). No Offline form and DD payment will be accepted for domestic candidate.
- STUDENTS OPTING FOR OVERSEAS CENTRES HAVE TO APPLY OFFLINE AND SEND DD ALONG WITH THE FORM.
- (a) Students can login to the website [www.icmai.in](https://icmai.in) and apply online through payment gateway by using Credit/Debit card or Net banking.
(b) Students can also pay their requisite fee through pay-fee module of IDBI Bank.
- Examination form already submitted by the students for the Intermediate and Final Examinations, June, 2020 session will remain same for the Intermediate and Final Examinations to be held in December, 2020. Students need not apply again.
- Students who have submitted examination form for the Intermediate and Final Examinations, June, 2020 session may enroll afresh by submitting online examination form for December, 2020 term of examination. Intermediate and Final Examinations to be held in December, 2020.
- The students who have not enrolled for the Intermediate and Final Examinations, June, 2020 session may enroll afresh by submitting online examination form for December, 2020 term of examination.
- Last date for receipt of Examination Application Forms is 10th October, 2020.
- The provisions of Direct Tax Laws and Indirect Tax Laws, as amended by the Finance Act, 2019, including notifications and circulars issued up to 31st May, 2020, are applicable for December, 2020 term of examination for the Subjects Direct Taxation, Indirect Taxation (Intermediate), Direct Tax laws and International Taxation and Indirect Tax Laws & Practice (Final) under Syllabus 2016. The relevant assessment year is 2020-21. For statutory updates and amendments please refer to: <https://icmai.in/studentswebsite/Syl2016.php>
- Companies (Cost Records and Audit) Rules, 2014 as amended till 31st May, 2020 is applicable for December, 2020 examination for Paper 12- Company Accounts and Audit (Intermediate) and Paper 19 - Cost and Management Audit (Final) under Syllabus 2016. For updates and amendments please refer to the link: <https://icmai.in/studentswebsite/Syl2016.php>
- The provisions of the Companies Act 2013 are applicable for Paper 6 - Laws and Ethics (Intermediate) and Paper 13 - Corporate Laws & Compliance (Final) under Syllabus 2016 to the extent notified by the Government up to 31st May, 2020 are applicable for December, 2020 term of examination. Additionally, for applicability of ICDR, 2018 for Paper-13 - Corporate Laws & Compliance (Final) under Syllabus 2016 refer to relevant circular in website for December, 2020 term examination by following link: <https://icmai.in/studentswebsite/Syl2016.php>
- For Applicability of IInd AS and AS for Paper 5 - Financial Accounting, Paper 12 - Company Accounts and Audit (Intermediate) and Paper 17 - Corporate Financial Reporting (Final) refer to relevant circulars and notifications in website for December, 2020 term examination in the given link: <https://icmai.in/studentswebsite/Syl2016.php>
- Pension Fund Regulatory and Development Authority Act, 2013 is being included in Paper 6-Laws and Ethics (Intermediate) and Insolvency and Bankruptcy Code 2016 is being included in Paper 13 - Corporate Laws and Compliance (Final) under Syllabus 2016 for December, 2020 term of examination. Please refer to the link: <https://icmai.in/studentswebsite/Syl2016.php>
- Examination Centres: Adipur-Kacheh (Gujarat), Agartala, Agra, Ahmedabad, Akurdi, Allahabad, Anasol, Aurangabad, Bangalore, Baroda, Belhalpur (Ganjam), Bhillai, Bhihiwara, Bhopal, Bewar City(Rajasthan), Bhubaneswar, Bilaspur, Bikaner (Rajasthan), Bolkar, Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dhanbad, Dujalin (Assam), Durgapur, Ernakulam, Erode, Faridabad, Ghaziabad, Guntur, Gurgaon, Guwahati, Haridwar, Hazaribagh, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jamnua, Jamshedpur, Jodhpur, Kalyan, Kanpur, Kanpur, Kollhapur, Kolkata, Kollam, Kota, Kottakkal (Malappuram), Kottayam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Noida, Patiala, Patna, Pondicherry, Port Blair, Pune, Raipur, Rajahmundry, Ranchi, Rourkela, Salem, Sambalpur, Shillong, Shimla, Sitlagur, Vindhyannagar, Waltair and Overseas Centres at Bahrain, Dubai and Muscat.
- A candidate who is fulfilling all conditions specified for appearing in examination will only be allowed to appear for examination.
- Probable date of publication of result: To be announced in due course.

* For any examination related query, please contact exam.helpdesk@icmai.in



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- ⊙ **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.**

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- ⊙ 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
- ⊙ Thalassemia
- ⊙ Neurological Diseases
- ⊙ Flue Blown acquired Immune Deficiency Syndrome
- ⊙ Multiple sclerosis
- ⊙ Tuberculosis / Bronchopneumonia/ Pleurisy
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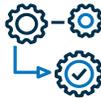
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