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REGULATORY LANDSCAPE OF INDIAN AUDITING SYSTEM



Journal of

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Benevolent Fund

FOR THE MEMBERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

CMA Bhawan, 12 Sudder Street, Kolkata - 700016

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The Fund has been created to provide outright grant of prescribed amount to the member in the event of critical illness of a member / beneficiary of the Fund. It is also for outright grant of prescribed amount to the beneficiary in the event of death of a member of the Fund.

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- Major Organ Transplant
- Hemophilia
- Thalassaemia
- Neurological Diseases
- Flue Blown acquired Immune Deficiency Syndrome
- Multiple sclerosis
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- Permanent disablement
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The Institute of Cost Accountants of India



(Statutory body under an Act of Parliament)

www.icmai.in

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA (erstwhile The Institute of Cost and Works Accountants of

India) was established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.

- On 28 May 1959, the Institute was established by α special Act of Parliament, namely, the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of Cost & Management Accountancy.
- It has since been continously contributing to the growth of the industrial and economic climate of the country.
- The Institute of Cost Accountants of India is the only recognized statutory professional organisation and licensing body in India specialising exclusively in Cost & Management Accountancy.

VISION STATEMENT

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

MISSION STATEMENT

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

Institute Motto

असतोमा सदगमय तमसोमा ज्योतिर गमय मृत्योमीमृतं गमय ॐ शान्ति शान्ति शान्तिः

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

IDEALS THE INSTITUTE STANDS FOR

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



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Behind every successful business decision, there is always a CMA

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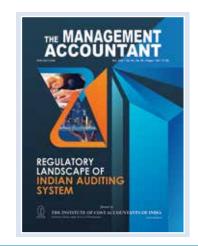
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From the EDITOR'S DESK

he regulatory landscape of the Indian auditing system is a complex and evolving framework designed to ensure transparency, accountability and integrity in financial reporting. In recent years, the auditing ecosystem has expanded beyond traditional boundaries with the emergence of institutions like the Insolvency and Bankruptcy Board of India (IBBI), which plays a crucial role in scrutinizing financial statements during insolvency proceedings and ensuring fair valuation practices. Simultaneously, the digital age has ushered in a transformative shift, compelling auditors to adopt data analytics, automation, and AI-driven tools to detect anomalies and enhance audit quality in real-time. The Comptroller and Auditor General of India (CAG) remains a pillar of public accountability, with its audits of government expenditures gaining increased significance amid rising demands for fiscal transparency. Together, these developments reflect a broader transition toward a more technology-enabled, multi-agency audit framework that is better equipped to address the complexities of a dynamic economic landscape. As India aligns more closely with international best practices, its auditing regime continues to balance the twin goals of investor protection and economic growth.

This edition presents a curated collection of insightful and thought-provoking articles centered around our cover story: Regulatory Landscape of Indian Auditing System. The featured articles explore the evolving

auditing environment shaped by technological advancements, regulatory reforms, and realworld challenges.

Auditing in the Digital Age: The Transformative Role of Technology in the Audit Profession explores the revolutionary impact of digital tools - such as AI, data analytics, blockchain, and cloud computing on the audit profession. It highlights how these technologies enhance efficiency, strengthen fraud detection and streamline audit processes.

Multi-Jurisdictional Audit Failures – Real World Cases delving into key challenges faced by audit firms handling clients across multiple jurisdictions, this piece presents real-life case studies to illustrate complexities and extract crucial learnings for practitioners and policymakers alike.

Auditing in the Digital Age focusing specifically on Artificial Intelligence and examines its capacity to improve audit quality and productivity. It also addresses pressing concerns such as algorithmic bias, the opaque nature of AI logic and risks associated with excessive autonomy in decision-making. The article concludes with strategic insights for effective AI implementation.

IBBI as New Regulatory Scenario in India - Role of CMAs as Insolvency Professionals outlines the significant contributions of Cost and Management Accountants (CMAs) in their capacity as Insolvency Professionals (IPs), showcasing their growing influence within India's evolving insolvency framework.

The DHFL Scam: A Case of Regulatory Failure calls for enhanced oversight and greater transparency to protect investor interests and restore depositor confidence.

Practical Approach to Stocks and Receivables Audit by CMAs focusing on the hands-on aspects of auditing, this article offers valuable guidance for CMAs on conducting effective audits of stocks and receivables, backed by practical insights from field experience.

C&AG OF INDIA - A Regulatory Body of Indian Auditing System Rolls on to Achieve Viksit Bharat: 2047, highlighting the pivotal role of the Comptroller and Auditor General of India, this article emphasizes the importance of ethical standards and professionalism in preventing corporate collapses like Satyam and IL&FS and outlines the C&AG's vision for a developed India by 2047.

Audit in India: Past and Present - a retrospective exploration of the evolution of auditing practices in India, charting their journey from traditional methods to the present-day digital-first approach.

Impact of IBBI on Insolvency Reforms in India: A Study - It is a comprehensive evaluation of the IBBI's role in reshaping India's insolvency framework, this study identifies key challenges and recommends actionable reforms for a stronger system.

Technology Transforming the Audit Process emphasizes that digital adaptation is no longer optional, this article underscores how embracing technology is essential for auditors to remain relevant, effective and future-ready.

Understanding the Role and Impact of the Insolvency and Bankruptcy Board of India (IBBI) This detailed piece discusses the IBBI's extensive responsibilities in overseeing insolvency professionals regulating asset valuations across sectors and guiding Registered Valuers Organisations (RVOs) and Registered Valuers (RVs).

In addition to these articles, this issue also features insights on other contemporary themes shaping India's financial and economic landscape.

We are proud to present an exclusive interview with **CMA Joshit Ranjan Sikidar**, Director (Finance) at Solar Energy Corporation of India Limited (SECI), New Delhi.

We value your feedback and welcome your suggestions. Share your thoughts with us at editor@icmai.in.

Happy Reading!



President's Communiqué

CMA Bibhuti Bhusan Nayak
President
The Institute of Cost Accountants of India

"It is very easy to defeat someone, but it is very hard to win someone."

- Dr. A.P.J. Abdul Kalam

My Dear Professional Colleague,

t is with a heavy heart that I begin this communication. We are deeply saddened and anguished by the recent tragic incident in Pahalgam, Jammu and Kashmir, where 26 innocent lives were lost in a heinous terrorist attack. The magnitude of this loss is beyond words, and on behalf of the Institute and the entire CMA fraternity, I extend my deepest condolences to the bereaved families. We stand in solidarity with them during this difficult time and pray for the strength and resilience they need to bear this irreparable loss.

Shifting of Headquarters of the Institute to Delhi

I wish to bring to your kind attention a significant and historic development concerning our Institute. The Cost and Works Accountants (Amendment) Regulations, 2025 have been officially notified in the Gazette of India and have come into force with effect from 25th April, 2025.

Pursuant to the amendment of Regulation 89 of the Cost and Works Accountants Regulations, 1959, the Headquarters of the Institute has been formally shifted from Kolkata to Delhi. This move marks a new chapter in the growth trajectory of the Institute and will strategically position us closer to the central administrative and regulatory frameworks of the nation.

The new official address of the Headquarters is

as follows:

The Institute of Cost Accountants of India CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110003

I request all our members, students and other stakeholders to kindly take note of this amendment and update their records accordingly.

The official Gazette Notification can be accessed on the Institute's website at: https://icmai.in/upload/Institute/Updates/Gazette250425.pdf

62nd National Cost and Management Accountants' Convention (NCMAC) – 2025

It gives me immense pleasure to invite each one of you to participate in the 62nd National Cost and Management Accountants' Convention (NCMAC) – 2025, scheduled to be held from 23rd to 25th May, 2025 at the Convention Centre, Campus-2, SOA University, Bhubaneswar, Odisha.

I am delighted to inform you that Shri Dharmendra Pradhan, Hon'ble Union Minister for Education, has graciously given his consent to be the Chief Guest at the Inaugural Session of the 62nd NCMAC - 2025, scheduled to be held on 23rd May, 2025.

The NCMAC is the flagship event of our Institute and a platform for thought leadership, policy dialogue, knowledge sharing, and professional networking. The Convention will feature insightful sessions by distinguished speakers, technical deliberations on emerging issues, and opportunities to connect with fellow professionals from across the country.

PRESIDENT'S COMMUNIQUÉ

I urge you to register at the earliest and be a part of this prestigious event.

Registration Link: https://eicmai.in/ NCMAC 2025/index.aspx

Let us come together to make this grand convention a resounding success.

Institute's Representation before the Select Committee on the Income Tax Bill, 2025

I am pleased to inform you that the Institute continues to be a proactive stakeholder in shaping the nation's fiscal and economic architecture. On 16th April, 2025, a delegation led by me appeared before the Hon'ble Select Committee of the Lok Sabha, constituted to examine the Income Tax Bill, 2025. The meeting was held at the Parliament Annex, New Delhi.

The Institute presented a comprehensive background note and detailed observations on the Income Tax Bill, 2025. Following the interaction, the Institute also submitted additional information as requested by the Hon'ble Committee to support their deliberations.

In our submission, we strongly urged the Hon'ble Select Committee to recommend the inclusion of "Cost Accountant" in Clause 515(3)(b) of the Bill. We firmly believe that the recognition of Cost Accountants in the Income Tax framework is not just an issue of professional parity, but an essential step toward fostering a transparent, inclusive, and expertise-driven taxation ecosystem in the country.

We remain hopeful that the Hon'ble Select Committee will appreciate the depth of our submission and take a just, inclusive, and visionary approach that aligns with the evolving needs of India's tax administration and professional landscape.

Guidance Note on Environmental Costing

I am pleased to inform you that the Professional Development & Continuous Professional Education Committee has brought out a "Guidance Note on Environmental Costing" which presents a Holistic Environmental Costing (HEC) Framework for identification and measurement of environmental impact, enabling businesses to accurately measure the "cost to the environment", with respect to energy, emissions, waste, water and biodiversity impact, of their operations. The Guidance note is available on the Institute's website.

I wish prosperity and happiness to members, students and their families on the occasion of Guru Rabindranath Jayanti & Buddha Purnima and pray for their success in all of their endeavours.

With warm regards,

CMA Bibhuti Bhusan Nayak

May 4, 2025

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

AGRICULTURE COST MANAGEMENT BOARD (ACMB)

The Agriculture Cost Management Board (ACMB) under the Chairmanship of CMA Chittaranjan Chattopadhyay proudly published its Agri Bulletin Vol. 3 "Agriculture in India – Issues and Priorities" at Raj Bhavan, Kolkata by the hands of Dr. C.V. Ananda Bose, Hon'ble Governor of West Bengal where CMA Chittaranjan Chattopadhyay, CMA Avijit Goswami, Council Members of ICMAI along with CMA Amal Kr. Das, Former President, ICMAI was present. This Bulletin presented a new prototype for analyzing the issues in the agriculture sector and intends to provide some inputs for those which are directly and indirectly involved in policy formulation.

BANKING, FINANCIAL SERVICES AND INSURANCE BOARD

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

A. Webinars

- Analysing the Business Model and need for ERM, Designing Risk Strategy, Risk Culture and Governance: The BFSI Board of ICMAI organized a Webinar on 24th April 2025. Shri Swakshar Basu, FCPA and RIMS-CRMP, Associate Vice President at Revantage Asia Pacific, A Blackstone Company was the Speaker.
- ii. The Treatment of Right-of-Use (ROU)
 Assets for Regulatory Capital Purposes:
 The BFSI Board of ICMAI organized
 an International Webinar on 30th April,
 2025. CMA Harshada Ravindra Prabhune,
 Management Consultant & Practicing
 Cost Accountant was the Speaker.

B. Certificate Courses of BFSI

i. Advance Certificate Course on Fintech:

- The classes for the 2nd batch of Advance Certificate Course on Fintech started from 27th April, 2025. Shri Vinod Jaiswal, Chief General Manager, Real Estate & Housing Development Unit, State Bank of India was the Chief Guest and Dr. Ashish Kumar Sana, Professor, University of Calcutta was the Guest of Honour.
- ii. Certificate Courses on Certificate Course on Concurrent Audit of Banks: The admission for the 12th batch has started. The admission window for the above courses is stated as follows:

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

CAT DIRECTORATE

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

The Certificate in Accounting Technicians (CAT) course for the calendar year 2025–26 of DGR commenced successfully at Coimbatore and Noida on 21st April 2025. The inaugural ceremonies were held on 21st April at the Coimbatore Chapter and 24th April at CMA Bhawan, Noida.

At Coimbatore, the inaugural event was graced by CMA T.C.A. Srinivasa Prasad, Vice President, ICMAI and CMA Suresh R. Gunjali, Council Member, ICMAI in the august presence of Gp Capt S. Selva Kumar, 5 BRD, along with Dr. R. Maheswaran, Chairman, Coimbatore Chapter of ICMAI.

At Noida, CMA Navneet Jain, CMA Harshad Deshpande and CMA Suresh R. Gunjali, Council Members, ICMAI warmly welcomed the candidates, joined by CMA Santosh Pant, Chairman, NIRC, and CMA Pawan Dixit, Chairman, Noida Chapter. Lt Col Jaideep Singh, Jt Director (Trg), DGR graced the event as Chief Guest. He motivated the candidates to sincerely attend the classes and take benefit of this renowned course.

Further, the valedictory ceremonies of the CAT Course batches (for the calendar year 2024-25) were held at Chennai on 4th April, 2025, and at Indore on 24th April, 2025. At Chennai, the course completion certificates were distributed to the candidates in the august presence of Maj Thokchom Bhagajit Singh, 16 MADRAS. At Indore, Lt Col Prashant Kumar Mishra, Joint Director (Administration & Training), DRZ (Central), DGR graced the occasion as the Chief Guest and distributed the certificates in the presence of CMA Neeraj Maheshwari, Chairman, Indore-Dewas Chapter, and other Managing Committee Members.

Six more batches of the CAT Course will commence in May 2025 at Indore, Jodhpur, Patna, Prayagraj (from 13th May 2025), and Jaipur & Madurai (from 26th May 2025). We sincerely appreciate the Chapters that have once again earned the opportunity to conduct this course through their unwavering support and performance in previous batches. We also assure the Chapters conducting the course for the first time that they will receive the full support and guidance of the CAT Directorate in successfully organizing these batches. Overall, we are truly pleased to witness the wholehearted support extended by the Chapters of the Institute.

COOPERATIVE DEVELOPMENT BOARD

As a regular practice, the Cooperative Development Board conducted two webinars in the month of April, 2025. CMA (Dr.) S K Gupta, Managing Director, Registered Valuers Organization, ICMAI took the session on 9th April, 2025 on the topic "Leveraging Cooperative Startups for Building Viksit Bharat". The webinar focused on how cooperative startups can significantly contribute to the vision of Viksit Bharat by combining the innovation and agility of startups with the democratic and community-centric values of the cooperative model. Dr. Gupta discussed the keys to successful Co-operative Startups and various Govt. credit schemes for co-operative startups. The session garnered positive feedback and was highly appreciated by the participants. The session was concluded with an engaging Q&A session, allowing participants to clarify their queries.

The second webinar was taken up on 25th April, 2025 by CMA RV Parash Ram Jat, Practicing Cost Accountant on the topic "Co-operative Development

in Viksit Bharat – Role of Cost Accountants". The speaker discussed about the measures that are required to enhance the cooperative sector and the initiatives taken by the government to strengthen the various cooperative sectors in India. Mr. RV Parash covered in detail about the role of Cost Accountants in improving the cooperatives. The session was well received by all the participants.

DIRECTORATE OF STUDIES

- MQPs Set 1 for the Foundation, Intermediate and Final Level along with the answers are uploaded.
- Work Books on the Practical Papers have been uploaded for 8 Papers
- Video classes in recorded form of Paper 1,
 2 and 3 in English version as "Knowledge
 Web Series" for the Foundation Level have been uploaded
- Live Online classes are going on Postal Students who are appearing on the June, 2025 term of Examination.
- Recorded version of Live Online classes has been uploaded on our website for the month of March, 2025.
- A Notification has been published on 01.04.2025 regarding "Revised Scholarship Schemes for Meritorious Students for CMA Foundation Course and Economically Challenged-cum-Meritorious Students for CMA Intermediate Course".
- A Circular has been published on 25.04.2025 to comply with the requirements of submission of necessary documents for appearing in the June 2025 term examinations.
- On April 2, 2025, NPTEL held an orientation session for final students (both oral and postal) in the June 2025 term for Business Analytics & Data Analytics, in which over 3000 final students participated.
- Students are responding well to the Intermediate Level Batch 3 communication and soft skills course. More than 2000 have already logged in and started solving the assignments.
- Chapters have begun offering students classes and training in Microsoft Office and e-filing.

INTERNATIONAL AFFAIRS DEPARTMENT

O UAE Global Convention 2025

The Institute of Directors (IOD) organised its UAE Global Convention on Leadership for Business Excellence & Innovation along with a 'Global Business Meet' from April 22-25, 2025, at Dubai. The Institute was the official 'Associate Partner' of this Convention. CMA Dr. K Ch A V S N Murthy and CMA Rajendra Singh Bhati, Council Members, ICMAI represented the Institute in the Convention.

SAFA meetings and events

South Asian Federation of Accountants (SAFA) held its Board Meeting and various Committee meetings on 7th April, 2025 at Kathmandu, Nepal. CMA Harshad S Deshpande, Council Member, ICMAI & Member of SAFA Committee to study fiscal regimes and other statutory requirements of business in SAARC countries and CMA Suresh R Gunjalli, Council Member, ICMAI & Member of SAFA Small & Medium Practices Committee attended the SAFA meetings on 7th April, 2025 and the National Convention of Accounting Professionals hosted by the Institute of Chartered Accountants of Nepal on 8th April 2025 at Kathmandu, Nepal.

MEMBERSHIP DEPARTMENT

It gives us great pleasure to extend a warm welcome and heartfelt congratulations to all the 346 newly admitted Associate Members and to the 79 Associate Members, who have been elevated to Fellowship during April 2025. Your accomplishments mark significant milestones in your professional journey, and we are proud to have you as part of our esteemed Institute.

Members are kindly reminded that the Annual Membership Fees for the financial year 2025–26 have become due from 1st April 2025. All members are requested to ensure payment of the applicable fees on or before 30th September 2025.

Additionally, please note that for Practising Members, the Certificate of Practice (COP) validity expired on 31st March 2025. Members who have not yet renewed their COP are requested to apply for renewal at the earliest, and not later than 30th June 2025.

We encourage you to make use of the Institute's convenient and secure online payment facilities, allowing you to complete your transactions from anywhere at your convenience.

Furthermore, happy to announce that under the MOU with New India Assurance Co. there is now no entry age limit for Health Insurance Policy. Previously, the maximum entry age was 65 years, but this restriction has been removed. Likewise, Members may also apply for the Members Benevolent Fund through our online portal for health benefit.

MSME & START-UP PROMOTION BOARD

The MSME & Start-up Promotion Board (MSPB), under the Chairmanship of CMA Suresh R. Gunjalli successfully conducted Webinar on "AI and MSME - A Perfect Match for Success" on 9th April 2025, this webinar was about the scope of artificial intelligence (AI) in MSMEs and also on "Govt. Initiatives for MSME" on 29th April 2025, this webinar was about Initiatives taken by the Government of India.

The speakers of the webinars were CMA Vikita Subudhi, Practicing Cost and Management Accountant and CMA Dr. Priyanka Saxena, Consultant, respectively. These webinars focussed on empowering Micro, Small, and Medium Enterprises (MSMEs), to thrive in a competitive business landscape. The takeaway for the members were good and members enjoyed both the events.

Moreover, MSME and Startup Promotion Board was published its Bimonthly journal "MSME TITBITS Vol.2" on 9th April 2025.

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

PD & CPE Committee going to commence the 13th Batch of Online Mandatory Capacity Building Training (e-MCBT) for CoP holders from 15th May 2025. We look forward to your active participation. For more details, click https://eicmai.in/MCBT/Home.aspx

Please visit the PD Portal for Tenders/EOIs during the month of April 2025 where services of the Cost Accountants are required in the THDC India Limited, Madhya Pradesh Power Management

Company Limited, Central Coalfields Limited, Odisha Hydro Power Corporation Ltd, All India Institute of Hygiene & Public Health, Kolkata, Employees' State Insurance Corporation, Office of the Commissioner, CGST & CX. Itanagar Commissionerate, Karnataka Postal Circle Department of Posts, Karnataka Postal, Circle Department of Posts, Public Relations Department - Raipur, Tripura Industrial, Development Corporation Limited, Rashtriya Chemicals and Fertilizers Limited, Mahanadi Coalfields Limited, The Airports Authority of India, Patna, Sidho Kanho Birsha University (SKBU), Jammu and Kashmir State Power Development Corporation Limited, Central Cottage Industries Corporation of India Limited (CCIC), South Eastern Railway, Aligarh Smart City Limited, Mahanagar Telephone Nigam Limited, Eastern Coal Fields Limited, National Health Mission, Health & Family Welfare Department, Government of West Bengal, NBCC (India) Limited, Chennai Metro Rail Limited, Asansol Municipal Corporation, State Bank of India, Thiruvananthapuram Circle, Travancore Titanium Products Limited, Karnataka State Beverages Corporation Limited, Commercial Tax Department, Uttar Pradesh, Damodar Valley Corporation (DVC), etc,.

Professional Development & CPE Committee is continuing the Series of Webinar discussion with the practitioners. In this series, the 16th Webinar on "Emerging Trends in Cost Management" was conducted on 2nd April 2025 wherein CMA (Dr.) D. Jaganathan, practicing cost accountant delivered a comprehensive presentation on Emerging Trends for CMAs and presented the perspective of cost accountants.

During the month of April, around 35 programmes in Physical mode and 20 programmes in online mode were organised by the different Committees, Regional Councils and Chapters of the Institute on various topics such as Agency for Specialized Monitoring (ASM) - Opportunity for CMA Firms, Decoding Real Estate Taxation: Income Tax and GST Perspective, Role of CMAs in Internal Audit, Financial Statements of Non--, Corporate entities, IND AS 110 - Consolidated Financial Statements, Co-operative Development in Viksit Bharat - Role of Cost Accountants, SAP CO-Core Functionality

for CMA Professionals, Analysing the business model and need for ERM, designing risk strategy, risk culture and governance, Concurrent Audit of Banks, Bamboo and Sustainability: Key Takeaways for CMAs and so on.

We are sure that our members are immensely benefited with the deliberations in the sessions.

SUSTAINABILITY STANDARDS BOARD

The Sustainability Standards Board had organized the 30th webinar of the Vasudhaiva Kutumbakam Series on the topic "Bamboo and Sustainability: Key Takeaways for CMAs" held on April 11, 2025. CMA Jyotsna Rajpal, Practising Cost Accountant was the speaker for the webinar. The 31st webinar of the Vasudhaiva Kutumbakam Series on the topic "Mandala for Professionals" (A soft skills session) was organized on April 25, 2025. Ms. Geeta Joshi Brahme, Certified Mandala Therapist was the speaker for the webinar.

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

The Download link is as follows:

https://icmai.in/upload/Institute/Updates/SSB_April 2025.pdf

The Sustainability Standards Board started the elibrary in the SSB portal which includes all relevant updates and content on Sustainability. We request all the visit the elibrary to update their knowledge dissemination:

The link is stated as follows: https://icmai.in/icmai/SSB/SSB Library.php

INSOLVENCY PROFESSIONAL AGENCY OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

Insolvency Professional Agency of Institute of Cost Accountants of India, in its endeavour to promote professional development and sharpen the skills of the professionals, has constantly been conducting various professional & orientation programs across the country and publishing various publications and books for the benefit of stakeholders at large. Towards that, IPA-ICMAI has undertaken several initiatives, as enumerated below, during the month of April 2025.

- ⊙ A Workshop on "Role & Responsibilities of Authorized Representatives under IBC, 2016." was successfully held on April 11th, 2025. The program was highly appreciated for its insightful discussions and expert sessions, providing valuable knowledge to the participants.
- The IPA-ICMAI, in association with Missing Bridge, successfully hosted the Mediation Cohort: Become A Certified Mediator with Comprehensive Industry Focus April 12th-19th, 2025, a comprehensive program empowering professionals to become certified mediators. The program was conducted in a hybrid format, with virtual sessions on April 12-13 & 15-16, and in-person sessions on April 18-19 at Hyderabad. This enriching experience brought together diverse experts, focusing on practical mediation techniques in key areas like IBC, Startups, and MSMEs, all aligned with the Mediation Act, 2023."
- The Pre-Registration Educational Course was conducted by our expert faculties from 14th -20th April 2025, who shared their knowledge, enriching experiences, practical aspects, and guidance to function as an effective and efficient Insolvency Professional (IP). The Course enhanced the knowledge base, sharpened management skills, and provided efficiency in advocacy, code of conduct, and handling insolvency effectively.
- A two-day Online Learning Session on "Unlocking the Power of Commercial Wisdom, Effective Decision-Making by CoC"." was held From 26th to 27th April

- 2025 which discussed topics such as Analysis of Financial Statements, Identification of Red Alerts, Types of transactions under PUFE, Filling of application for Avoidance Transactions., Roles and Responsibilities of IP and Auditors, Remedies for Avoidance Transactions, Case laws related to Avoidance Transactions, Analysis of Valuation Report and Transaction Audit Report, Closure of Avoidance Transactions.
- "The IPA-ICMAI, in association with the Institute of Cost Accountants of India, Chandigarh Chapter (Panchkula & Mohali), successfully organized a Workshop for Insolvency Professionals on 'Challenges Faced by Insolvency Professionals in Implementation of Resolution Plans' on April 30th, 2025. The event, held at the Chandigarh Chapter of ICMAI, aimed to enhance the skills and knowledge of Insolvency Professionals."
- In its endeavour to promote the profession, knowledge sharing and sensitisation of the environment, IPA-ICMAI published Au-Courant (Daily Newsletter), a weekly IBC Dossier, and a monthly e- Journal which are hosted on its website.

ICMAI REGISTERED VALUERS ORGANIZATION (RVO)

ICMAI RVO has successfully organized one "50 Hour's Training Programs" for securities or financial assets, one for land and building assets, and also organized 12 "Professional Development Programs" in the month of April 2025. In its efforts to bring out relevant publications for the development of the valuation profession, ICMAI RVO also released its monthly journal, The Valuation Professional.

ICMAI SOCIAL AUDITORS ORGANIZATION (SAO)

ICMAI SAO organized one online awareness session about Social Stock Exchange for group of NGOs during April 2024. ICMAI SAO also released its monthly journal, The Social Impact Assessor.

Guidelines for Submitting Articles

THE MANAGEMENT ACCOUNTANT

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- Contributors are requested to send soft copies (in MS Word format) to The Editor, The Management Accountant at editor@icmai.in.
- In case of theme article, the soft copy to be mailed to the above stated mail ID latest by 1st of the preceding month in which the article is sought to be published. That is, for an article to be published in February, the same may be forwarded by 1st of January, at least.
- \odot The articles must be relevant to the economy, society and the nation.
- \odot The articles should be around 1500 to 2000 words and must be an exclusive contribution for the Journal.
- The cover page should contain the title of the paper, author's name, designation, official address, contact phone numbers, e-mail address and an abstract of not more than 150 words.
- References should be given at the end of the manuscript and should contain only those cited in the text of the manuscript.
- The contribution must be original in nature and is neither published nor under consideration for publication anywhere else. A scanned copy of signed Declaration by the author is to be attached with the article. The format of the declaration is given below.
- A scanned passport size photograph (at least, 600 dpi) of the author and in case of joint authorship of all the authors should also be mailed along with the soft copy of the article.
- Figures and tables should be numbered consecutively and should appear near the text where they are first cited. The figures must be in editable format. Captions of the figures and tables are to be given at the bottom and at the top respectively. Headlines of the sections and sub-sections should start from the left-hand margin.
- The final decision on the acceptances or otherwise of the paper rests with the competent authority / editorial board and it depends entirely on its standard and relevance. The final draft may be subjected to editorial amendment to suit the Journal's requirements.
- If an article is not published within 4 months from the date of submission, the author (s) may withdraw the article with prior permission from the Editor OR keep the article with the Institute for future publication, unless it is rejected.
- The copyright of the contributions published in the Journal lie with the publishers of the Journal.
- The Editor has the right to modify / edit any content / title of the submitted article to suit the need of the Journal, without affecting the spirit of the article.

Declaration

I/We affirm that the article titled '_____' is my/our original contribution and no portion of it has been copied from any other source, and it would not be sent elsewhere for publication. The views expressed in this article are not necessarily those of the Institute or the Editor of the Journal.

Date: (Signature)
Place: Name:

Designation:
Organization:
E-mail ID:
Contact No:

All authors are requested to keep to the word limit of 1500-2000 words for articles



Dear Professional Colleagues, Greetings;

"Excellence happens not by accident. It is a process."
- Dr. A.P.J. Abdul Kalam

he Professional Development and Continuous Professional Education (CPE) Committee is deeply committed to empowering our members with knowledge, skills, and resources that keep pace with global standards and industry expectations.

We are consistently striving for creating new avenues for the members of the Institute and regularly submitting the representations to the various organizations and authorities. With the consistent follow-up with the organisations/ authorities, CMAs are considered for various assignments. For details, please visit PD portal regularly.

We are pleased to inform you that the Institute has constituted a 'Task Force on Convergence of Cost Accounting and Carbon Accounting' instrumental in bringing out a "Guidance Note on Environmental Costing", which presents a Holistic Environmental Costing (HEC) Framework for identification and measurement of environmental impact enabling businesses to accurately measure the "cost to the environment", with respect to energy, emissions, waste, water and biodiversity impact, of their operations.

We are regularly conducting online Mandatory Capacity Building Training (MCBT) to sensitize the CoP holders. So far, concluded 12 batches of Online MCBT. The sessions were very enriching covering practical aspects in allied areas of practice. Those who have still not undertaken with this mandatory training, please comply with this mandatory requirement at the earliest. For details, visit MCBT portal.

The 'National CMA Practitioners' Convention (NCPC-2025)' was organised on the theme 'Emerging Trends in Practice' held on 28th – 29th March 2025 at Varanasi, Uttar Pradesh. Overwhelming response received from the Practicing Members and other Guests. All the sessions were appreciated with high level of engagement and enthusiasm of the participants.

We are happy to continue with the Monthly Webinar Series, wherein discussion with CMA Practitioners on regular basis on the first Wednesday of every month, covering diverse topics of professional relevance and importance. Interactions are quite useful for the practitioners.

An Interactive Workshop on "GST: Issues & Implications" was organized in collaboration with SCOPE

FROM THE DESK OF CHAIRMAN

Professional Development & Continuous Professional Education (PD&CPE) Committee
The Institute of Cost Accountants of India

CMA Manoj Kumar Anand

on 5th December 2024 at the SCOPE Convention Centre, New Delhi sessions were appreciated by the participants from PSUs.

Online preparatory classes were conducted for qualified CMA candidates aspiring for the SEBI Examination with respect to the Recruitment of Officer Grade A (Assistant Manager) 2024.

We also conducted online preparatory classes for 80 hours to guide the eligible CMA Candidates for the UPSC Recruitment Test for the recruitment of Assistant Director (Cost).

Professional Development & CPE Committee regularly associate with PHD Chamber of Commerce and Industry for joint programs on various topics such as Conference on TDS, Insider Trading, Independent Directors, Forensic Audit & Fraud Detection, Corporate Restructuring: Mergers & Acquisitions and Related Party Transactions, Interplay of Companies Act & SEBI Listing Regulations" and "Decoding the Latest GST Amendments Jurisprudence, Income Tax, SEBI Regulations-Recent Developments, Open Issues & Way Forward.

Please comply with the Guidelines for Members under Continuous Professional Education (CPE) 2024. The members are required to complete the balance requirement of CPE Credit Hours for the FY 2024-25 as the Council has granted extension of timeline by one quarter i.e. up to 30th June 2025. For details refer to the Notification dated 3rd March, 2025.

This year Institute commenced with the enrolment of practicing firms (proprietor/partnership) for the enrolment under Multipurpose Empanelment Scheme (MES) for the Empanelment Year 2024-25, the list of the Empaneled firms will be published on the website soon.

During the year nominations were invited for Awards 2024, i.e., 19th National Awards for Excellence in Cost Management – 2024 for corporates and the 8th CMA Awards 2024 for the CMAs in employment. The Awardees will be finalised soon.

During the course, the Institute continued its activities for knowledge dissemination and enhancement of skills of the members in online mode and programs in physical mode conducted by various committees of the Institute, Regional Councils, Chapters, Study Circles and Corporate houses on the topic of professional relevance and importance for members. Through these structured learning programs, webinars, workshops, and knowledge-sharing initiatives, we aim to nurture professionals who are not only competent but also visionary.

I urge each one of you to actively participate in these initiatives, embrace emerging technologies, and continually invest in self-learning.

Let us stay connected, stay inspired, and strive together to elevate the stature of our noble profession.

CMA Manoj Kumar Anand May 04, 2025

ICMAI-CMA S N A P S H O T S



A delegation led by CMA Bibhuti Bhusan Nayak, President, ICMAI presented the views of the Institute before the Hon'ble Select Committee of the Lok Sabha to examine the Income Tax Bill, 2025, on 16th April, 2025 at New Delhi



CMA Bibhuti Bhusan Nayak, President, ICMAI along with CMA Uttam Nayak and CMA Damodar Mishra, RCMs of EIRC-ICMAI called on Dr. Hari Babu Kambhampati, Hon'ble Governor of Odisha on 05.05.2025 and extended a cordial invitation to grace the 62nd NCMAC of ICMAI



CMA Bibhuti Bhusan Nayak, President, ICMAI along with CMA TCA Srinivasa Prasad, Vice President, ICMAI and CMA (Dr.) D. P. Nandy, Secretary (Officiating), ICMAI felicitating Dr. Ashok Kumar Panda on assuming the charge of Director (Finance) of Steel Authority of India Limited



CMA Bibhuti Bhusan Nayak, President, ICMAI, CMA Manoj Kumar Anand, Council Member, ICMAI and CMA (Dr.) D.P. Nandy, Secretary (Offg.), ICMAI called on Shri Dharmendra Pradhan, Hon'ble Union Minister for Education on 26th April 2025 and extended a cordial invitation to grace the 62nd NCMAC - 2025 of ICMAI as the Chief Guest



CMA Bibhuti Bhusan Nayak, President, ICMAI along with CMA Manoj Kumar Anand, Chairman, PD&CPE Committee, ICMAI called on Shri Ravi Agrawal, IRS, Chairman, Central Board of Direct Taxes (CBDT), Ministry of Finance, to discuss the matters related to CMA profession & Income Tax Bill, 2025



CMA Harshad S Deshpande, Council Member, ICMAI & Member of SAFA Committee to study fiscal regimes and other statutory requirements of business in SAARC countries with Sunil Devkota, Committee Chairman, ICA Nepal & M. Ali Latif, ICA Pakistan on 7th April, 2025 at Kathmandu, Nepal









National Seminar on Management Accountants - Future of Governance on 6th May 2025 at New Delhi (SCOPE Complex, Lodhi Road)



CMA Manoj Kumar Anand and CMA Vinayaranjan P., Council Members, ICMAI along with CMA Raj Kumar Malhotra, Executive Director, Power Finance Corporation Ltd. called on Shri Harsh Malhotra, Hon'ble Union Minister of State for Corporate Affairs on 02.05.2025 and extended a cordial invitation to grace the 62nd NCMAC of ICMAI



Inauguration of the first batch (2025-26) of the CAT Course under DGR for defence personnel on April 21, 2025 in Coimbatore, graced by the presence of Gp Capt S Selva Kumar (5 BRD, Ministry of Defence), CMA T.C.A. Srinivasa Prasad, Vice-President, CMA Suresh R. Gunjali, Council Member, Coimbatore Chapter Managing Committee Members and officials of the Institute & Chapter



Inauguration of the 2nd batch (2025-26), CAT Course under DGR for defence personnel on 24-4-2025 at CMA Bhawan, Noida. Chief Guest, Lt Col. Jaideep Singh, Jt. Director (Trg), DGR, CMA Navneet Jain, CMA Harshad S Deshpande, CMA Suresh R. Gunjali, Council Members, Chairman, NIRC and others



Inauguration of the 2nd Batch (2025–26) of the CAT Course under DGR held on April 24, 2025 at CMA Bhawan, Noida, graced by the presence of Lt. Col. Jaideep Singh, Jt. Director (Trg), DGR, Ministry of Defence; CMA Navneet Jain, CMA Harshad S Deshpande, CMA Suresh R. Gunjali, Council Members, ICMAI, CMA Santosh Pant, Chairman, NIRC, CMA Pawan Dixit, Chairman, Noida Chapter, ICMAI and officials of the Institute





Welcome Message

Dear Professional Colleagues & Stakeholders,

he Institute of Cost Accountants of India (ICMAI) cordially invites you to join the 62nd National Cost and Management Accountants' Convention (NCMAC) - 2025 on the well thought of theme 'दिव्य दृष्टि: Corporate Excellence - CMA Vision' scheduled during 23rd to 25th May 2025 in Bhubaneswar, Odisha, wherein various challenges will be addressed, opportunities will be analysed and future CMA Vision will be developed and a way forward on how the CMAs can adapt to the evolving global economic landscape, will be devised.

It is keenly observed that the Cost and Management Accounting has been undergoing a significant transformation owing to the technological advancements, globalization, regulatory changes and evolving business models. Looking ahead, CMAs are all set to play a more strategic role in business decision-making, cost management and tax Management. In a dynamic, technology-driven and strategic future, CMAs who adapt, upskill and embrace digital transformation will lead the industry. CMA profession is evolving from a cost-focused role to a strategic business partner and those who innovate and embrace change will thrive into the future economic scenario.

The Institute perceive the Corporate Excellence - CMA Vision as 'दिव्य दृष्टि' in the light of the pivotal role they play, the key functions they perform and the insights they offer that can transform business practices.

Friends, it is imperative for the CMAs to shift to the roles requiring strategic analysis, decision-makingand data interpretation. And that is evidently the CMA Vision which perceives that the CMAs with AI and data analytics expertise will have a competitive edge. CMAs will move beyond compliance roles and become key advisors to CEOs and CFOs, making strategic planning a core responsibility. CMAs with expertise in sustainable cost management and ESG reporting will have high demand in global corporations. CMAs will have global career opportunities, especially in multinational corporations (MNCs) and international financial hubs. CMAs will need to be financial strategists, using data-driven methods to optimize costs and improve business sustainability. CMAs will transition into lucrative cost and financial consultancy roles, advising businesses on profitability and efficiency. CMAs with ERP expertise and digital finance skills will have strong career growth in technology-driven roles.

Apart from the customary Inaugural, Plenary and Valedictory Sessions there will be FOUR learning sessions during the NCMAC; Session on Total Cost Management (TCM) & Perpetual Cost Management covering concepts like Total Cost Management, Activity-Based Costing (ABC), Lean Accounting, Cost-Value Optimization etc.; Session on Navigating the Direct and Indirect Tax Landscape covering recent developments in Direct and Indirect Taxation; Session on Financial Shenanigans & AI in Accounting covering role of Automation, AI, Data Analytics etc. in Cost Management and financial transparency. Session on Recipe of Financial Reporting (Ind AS, BRSR & ESG) covering Reporting for Sustainability, Carbon Accounting, ESG Metrics in Decision-Making etc. Apart from this a CMA Leaders' Meet shall also be organised covering the core theme of the NCMAC i.e. Corporate Excellence - CMA Vision. Sessions shall be handled by the domain experts comprising of senior bureaucrats, eminent experts and dignitaries hailing from the industry, government, regulatory, practice and academics.

We are looking forward to welcome all the participants at the NCMAC and seek active contribution towards making this Annual Event of the Institute of Cost Accountants of India a grand success.

With best regards,



CMA Bibhuti Bhusan Nayak President, ICMAI & Chief Patron - 62nd NCMAC, 2025



CMA TCA Srinivasa Prasad Vice President, ICMAI & Chairman - 62nd NCMAC, 2025



CMA Manoj Kumar Anand Council Member, ICMAI & Convener - 62nd NCMAC, 2025



CMA Subhasish Chakraborty Chairman, ICMAI-EIRC & Co-Chairman - 62nd NCMAC, 2025



CMA Ramesh Chandra Patra Chairman, ICMAI-Bhubaneswar Chapter & Co-Convener - 62nd NCMAC, 2025





62nd NATIONAL COST AND MANAGEMENT **ACCOUNTANTS' CONVENTION 2025 (NCMAC)**



Corporate Excellence - CMA Vision

he landscape of Cost and Management Accountancy (CMA) is evolving rapidly, driven by technological advancements, regulatory changes and the growing need for strategic cost management. CMAs must embrace new tools, methodologies and frameworks to strengthen their role as strategic partners within organizations.

The integration of data analytics, artificial intelligence and automation into operations will not only streamline traditional processes but also enable CMAs to provide deeper insights into organizational performance. Furthermore, as businesses face increasing pressure to demonstrate sustainability and ethical practices, CMAs will play a vital role in developing frameworks to assess and report on these aspects. Ultimately, the future of Cost and Management Accountancy will be characterized by a shift toward a holistic approach that encompasses strategic planning, risk management and value creation.

Major challenges being faced by the accounting professionals including CMAs include:

- Traditional accounting roles are being automated, reducing demand for routine tasks. Accounting professionals must enhance their expertise in Total Cost Management (TCM), AIdriven accounting and perpetual cost management to stay competitive.
- The rise of automation reduces demand for traditional professionals. Frequent changes in tax laws, compliance requirements and financial reporting standards like Ind AS, BRSR and ESG make it crucial for accounting professionals to stay updated.
- Many organizations still perceive CMAs as compliance professionals rather than key decision-makers. Developing skills in navigating direct and indirect taxes, financial restructuring, and financial shenanigans detection is essential for proving their strategic value.
- Governments and regulatory bodies frequently update regulations, standards and procedures making it essential for professionals to stay updated. Stringent tax laws and compliance requirements increase the complexity of reporting.

Similarly, new opportunities are knocking the doors of the CMAs and offering ways to expand their professional horizons. A few of them include:

• Businesses are increasingly adopting advanced

- cost control techniques like Activity-Based Costing (ABC) and lean accounting, creating high demand for CMAs in budgeting and forecasting.
- With a focus on corporate responsibility, CMAs play a crucial role in green finance, carbon footprint accounting and ESG performance assessment.
- O Leveraging big data, predictive analytics and automation, CMAs can provide deeper insights into financial performance and risk assessment.
- Many CMAs are transitioning into consulting, guiding businesses on cost reduction, pricing strategies, mergers & acquisitions and financial reengineering.
- O CMAs can leverage data analytics to provide better insights for decision-making. Predictive analytics and big data offer new opportunities for forecasting and risk assessment.
- Many CMAs are moving into consulting, advising companies on cost reduction, pricing strategies and financial restructuring. Advisory roles in mergers, acquisitions and financial reengineering are becoming more prominent.

While CMAs face significant challenges, including automation, regulatory complexity and competition, it also offers many opportunities in strategic cost management, data analytics, sustainability and green finance.

"Divya Drishti" signifies exceptional insight, allowing CMAs to see beyond the obvious and make informed, strategic decisions. The CMA Vision is about staying ahead by continuously upgrading skills, embracing technology and adapting to evolving business needs. Those who do will find rewarding careers in this dynamic landscape, shaping corporate excellence through expertise in AI-driven accounting, perpetual cost management, tax strategy, financial reporting and ESG compliance.

The Institute perceives the "Corporate Excellence -CMA Vision as दिव्य दृष्टि" for the CMAs globally as the provider of exceptional insights into business operations and performance. CMAs who continuously upgrade their skills and adapt to changing business needs will find rewarding careers in the emerging scenario. The future belongs to CMAs who can combine strategic foresight with technological expertise to drive business success.



62nd NCMAC ORGANISING COMMITTEES

CONVENTION COMMITTEE

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Chairman

CMA TCA Srinivasa Prasad, Vice President, ICMAI

CMA Manoj Kumar Anand, Council Member, ICMAI

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Co-Convener

CMA Ramesh Chandra Patra, Chairman, ICMAI - Bhubaneswar Chapter

CMA Sankar Datta, Former President, ICMAI CMA Harijiban Banerjee, Former President, ICMAI CMA Amal Kumar Das, Former President, ICMAI CMA Mahesh Shah, Former President, ICMAI CMA Prabhakar Mohanty, Former President, ICMAI CMA Dr. Suresh Chandra Mohanty, Former President, ICMAI CMA Manas Kumar Thakur, Former President, ICMAI CMA Biswarup Basu, Former President, ICMAI CMA Dr. Dhananjay V. Joshi, Former President, ICMAI CMA Chandra Wadhwa, Former President, ICMAI CMA Dr. A. S. Durgaprasad, Former President, ICMAI CMA Niranjan Mishra, Former Council Member, ICMAI CMA Bibhu Prasad Mahapatra, Former Chairman, ICMAI - EIRC CMA S. S. Sonthalia, Former Chairman, ICMAI - EIRC CMA Niranjan Swain, Former Chairman, ICMAI - EIRC CMA Debasish Saha, Former Chairman, ICMAI - EIRC CMA Srikanta Kumar Sahoo, Former Chairman, ICMAI - EIRC CMA Shiba Prasad Padhi, Former Chairman, ICMAI - EIRC

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CMA Manoj K Anand, Council Member, ICMAI

CMA Neeraj D Joshi, Council Member, ICMAI CMA Chittaranjan Chattopadhyay, Council Member, ICMAI CMA Dr. K Ch A V S N Murthy, Council Member, ICMAI CMA D. C. Bajaj, Former President, ICMAI CMA M. Gopalakrishnan, Former President, ICMAI CMA B. M. Sharma, Former President, ICMAI CMA Sanjay Gupta, Former President, ICMAI CMA Vijender Sharma, Former President, ICMAI CMA Amit Anand Apte, Former President, ICMAI CMA B. B. Goyal, Advisor, ICMAI MARF CMA Dr. S. K. Gupta, MD, ICMAI RVO

CMA Dr. Jayanta Seal, Member, ICMAI CMA Satya Sundar Mahasuar, MC Member, Bhubaneswar

CMA Dr. Paritosh Basu, Co-opted Member, ICMAI

PUBLICITY & BRANDING COMMITTEE

CMA Rajendra Singh Bhati, Council Member, ICMAI

CMA Harshad Deshpande, Council Member, ICMAI CMA Uttam Kumar Nayak, RCM & Immediate Past Chairman, ICMAI-EIRC

CMA Sarat Kumar Behera, Vice Chairman, Bhubaneswar Chapter CMA R R Paul, Chairman, Agartala Chapter

CMA Subhash Chandra Samanta, Chairman, Bankura Chapter

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CMA Damodara Mishra, Secretary, ICMAI-EIRC CMA Rakesh Yadav, Secretary, ICMAI-NIRC CMA Praveen Kumar, Secretary, ICMAI-SIRC CMA Nanty Shah, Secretary, ICMAI-WIRC CMA Barada Prasan Nayak, Secretary, Bhubaneswar Chapter CMA Ramesh Chandra, Chairman, Bokaro Steel City Chapter CMA Rakesh Ranjan, Chairman, Chadrapura Chapter CMA Bibhas Saha, Chairman, Serampore Hoogly Chapter

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CMA Sanjiban Ghosh, Chairman, Dhanbad Chapter



62nd NCMAC ORGANISING COMMITTEES

RECREATION COMMITTEE

Chairman

CMA Dr. V Murali, Council Member, ICMAI

Members

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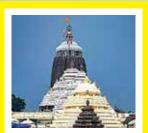
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SUMMARISED SCHEDULE OF THE 62nd NCMAC

Day 1 - Friday - 2	3 rd May 2025	
Registration	on	02:00 pm to 03:00 pm
Inaugural	Session	03:00 pm to 04:30 pm
Plenary Se	ession: Corporate Excellence - CMA Vision	04:30 pm to 06:00 pm
Cultural E	vening followed by Conference Dinner	06:30 pm onwards
Day 2 - Saturday	- 24 th May 2025	
Registration	on & Breakfast	08:30 am to 09:30 am
Inaugural	Session	10:00 am to 11:30 am
Technical	Session I:	
Total Cost	Management (TCM) & Perpetual Cost Management	11:30 am to 01:00 pm
Lunch Bre	αk	01:00 pm to 02:00 pm
Technical	Session II:	
Navigatin	g the Direct and Indirect Tax Landscape	02:00 pm to 03:30 pm
⊙ CMA Lead	lers' Meet:	
Corporate	Excellence - CMA Vision	03:45 pm to 05:30 pm
⊙ Cultural E	vening followed by Conference Dinner	06:00 pm onwards
Day 3 - Sunday -	25 th Mαy 2025	
	on & Breakfast	08:30 am to 09:30 am
Technical	Session III:	
Financial	Shenanigans & AI in Accounting	10:00 am to 11:30 am
⊙ Technical	Session IV:	
Recipe of	Financial Reporting (Ind AS, BRSR & ESG)	11:30 am to 01:00 pm



⊙ Lunch Break

• National Chapters' Meet

Valedictory Session









01:00 pm to 02:00 pm

02:00 pm to 04:00 pm 04:00 pm to 05:00 pm













ICMAI THE INSTITUTE OF COST ACCOUNTANTS OF INDIA



(Statutory Body under an Act of Parliament)

he Institute of Cost Accountants of India (ICMAI) is a statutory body set up under an Act of Parliament in the year 1959. The Institute as a part of its obligation, regulates the profession of Cost and Management Accountancy, enrols students for its courses, provides coaching facilities to the students, organizes professional development programmes for the members and undertakes research programmes in the field of Cost and Management Accountancy. The Institute pursues the vision of cost competitiveness, cost management, efficient use of resources and structured approach to cost accounting as the key drivers of the profession. In today's world, the profession of conventional accounting and auditing has taken a back seat and cost and management accountants increasingly contributing towards the management of scarce resources like funds, land and apply strategic decisions. This has opened up further scope and tremendous opportunities for cost accountants in India and abroad.

The Institute is having four Regional Councils at Kolkata, Delhi, Mumbai and Chennai, 117 Chapters in India and 11 Overseas Centres. The Institute is the largest Cost & Management Accounting body in the world with about 1,00,000 qualified CMAs and over 6,00,000 students pursuing the CMA Course. The Institute is a founder member of International Federation of Accountants (IFAC), Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA). The Institute is also an Associate Member of ASEAN Federation of Accountants (AFA) and member in the Council of International Integrated Reporting Council (IIRC), UK.

Vision Statement

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

Mission Statement

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

Institute Motto

असतोमा सदगमय तमसोमा ज्योतिर् गमय मृत्योमीमृतं गमय ॐ शॉन्ति शॉन्ति शान्तिः

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

CPE Credit: 10 Hours





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असाधारण EXTRAORDINARY

भाग III—खण्ड 4 PART III—Section 4

प्राधिकार से प्रकाशित PUBLISHED BY AUTHORITY

सं. 314]	नई दिल्ली, शुक्रवार, अप्रैल 25, 2025/वैशाख 5, 1947
No. 314]	NEW DELHI, FRIDAY, APRIL 25, 2025/VAISAKHA 5, 1947

भारतीय लागत लेखाकार संस्थान (संसद के अधिनियम के अंतर्गत सांविधिक निकाय) अधिसुचना

नई दिल्ली, 25 अप्रैल, 2025

फा. सं. सीडब्ल्यूआर (1) /2025 .—जबिक लागत और संकर्म लेखापाल विनियम, 1959 में और संशोधन करने के लिए प्रारुप विनियम, लागत लेखापाल अधिनियम, 1959 (1959 का 23) की धारा 39 की उप-धारा (3) की अपेक्षा के अनुसार, भारत के राजपत्र, असाधारण, भाग III, खंड 4, दिनांक 8 अक्टूबर, 2024 में अधिसूचना संख्या सीडब्ल्यूआर (1) 2024, दिनांक 7 अक्टूबर, 2024 द्वारा प्रकाशित किए गए थे, जिसमें उक्त अधिसूचना संबधी राजपत्र को जनता के लिए उपलब्ध कराए जाने की तारीख से तीस दिनों की समाप्ति से पूर्व, उससे प्रभावित होने की संभावना वाले व्यक्तियों से आपत्तियां और सुझाव आमंत्रित किए गए थे;

और जबिक उक्त राजपत्र की प्रति 8 अक्टूबर, 2024 को जनता को उपलब्ध करा दी गई थी;

2761 GI/2025 (1)

और जबिक उक्त प्रारुप विनियमों पर जनता से प्राप्त आपत्तियों और सुझावों पर इंस्टीट्यूट की परिषद द्वारा विचार किया गया है:

अब, अत:, लागत लेखापाल अधिनियम, 1959 की धारा 39 की उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, परिषद, केंद्रीय सरकार के अनुमोदन से, लागत और संकर्म लेखापाल विनियम, 1959 में और संशोधन करने के लिए निम्नलिखित विनियम बनाती है, अर्थातु:-

- 1. (1) इस विनियमन को लागत और संकर्म लेखापाल (संशोधन) विनियम, 2025 कहा जाएगा।
 - (2) ये शासकीय राजपत्र में इसके प्रकाशन की तारीख को प्रवृत्त होंगे।
- 2. लागत और संकर्म लेखापाल विनियम, 1959 में, विनियम 89 में, "कलकत्ता",* शब्द के स्थान पर "दिल्ली" शब्द प्रतिस्थापित किए जाएंगे।

डी. पी. नंदी, सचिव (कार्यवाहक)

[विज्ञापन-III/4/असा./46/2025-26]

नोट:- मूल विनियम भारत के राजपत्र, असाधारण, भाग III, खंड 4, तारीख 25 मई, 1959 में अधिसूचना संख्या 10(13) इंस/59 तारीख 25 मई, 1959 द्वारा प्रकाशित किए गए थे और अंतिम बार अधिसूचना संख्या सीडब्ल्यूआर (1) 2014, तारीख 12 नवंबर, 2014 द्वारा संशोधित किए गए थे।

*पश्चिम बंगाल राजधानी शहर (नाम परिवर्तन) अधिनियम, 2001 के तहत "कलकत्ता" का नाम परिवर्तित करके "कोलकाता" कर दिया गया है।

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

NOTIFICATION

New Delhi, the 25th April, 2025

F. No. CWR(1)/2025.—Whereas the draft Regulations further to amend the Cost and Works Accountants Regulations, 1959, was published, as required by sub-section (3) of section 39 of the Cost Accountants Act, 1959 (23 of 1959), in the Gazette of India, Extraordinary, Part III, Section 4, dated the 8th October, 2024, *vide* notification number CWR(1) 2024, dated the 7th October, 2024, inviting objections and suggestions from persons likely to be affected thereby, before the expiry of thirty days from the date on which the said Gazette containing the notification was made available to the public;

And whereas the copy of the said Gazette was made available to the public on the 8th October, 2024;

And whereas the objections and suggestions received from the public on the said draft regulations have been considered by the Council of the Institute;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 39 of the Cost Accountants Act, 1959, the Council, with the approval of the Central Government, hereby makes the following regulations further to amend the Cost and Works Accountants Regulations, 1959, namely:-

- 1. (1) This regulation may be called the Cost and Works Accountants (Amendment) Regulations, 2025.
 - (2) They shall come into force on the date of its publication in the Official Gazette.

2. In the Cost and Works Accountants Regulations, 1959, in regulation 89, for the word "Calcutta",* the word "Delhi" shall be substituted.

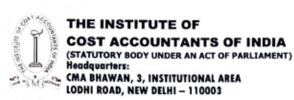
D. P. NANDY, Secy. (OFFICIATING)

[ADVT.-III/4/Exty./46/2025-26]

Note:- The principal regulations were published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 25th May, 1959 vide Notification Number 10 (13). Ins/59 dated the 25th May, 1959 and lastly amended vide Notification Number CWR (1) 2014, dated the 12th November, 2014.

* The name "Calcutta" has been renamed as "Kolkata" vide The West Bengal Capital City (Change of Name) Act, 2001.

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26th April, 2025

NOTIFICATION

Sub: Gazette Notification dated 25.04.2025 - Amendment to Regulation 89 of the Cost and Works Accountants Regulations, 1959.

This is to inform all concerned that the Cost and Works Accountants (Amendment) Regulations, 2025 have been notified in the Official Gazette of India and have come into force with effect from 25th April, 2025.

Pursuant to the said amendment to Regulation 89 of the Cost and Works Accountants Regulations, 1959, the Headquarters of the Institute has been shifted to Delhi.

All Departments/Directorates of the Institute, Regional Councils, Chapters, Overseas Centres of Cost Accountants, Section 8 Companies promoted by the Institute and other stakeholders are hereby requested to take note of this amendment and ensure necessary compliance, and update the address of the Headquarters of the Institute in their official records, as follows:

The Institute of Cost Accountants of India CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003

The Gazette Notification is available for reference on the official website of the Institute at: https://icmai.in/upload/Institute/Updates/Gazette250425.pdf.

CMA (Dr.) D.P. Nandy Secretary (Officiating)

AUDITING IN THE DIGITAL AGE: THE TRANSFORMATIVE ROLE OF TECHNOLOGY IN THE AUDIT PROFESSION

Abstract

This article examines the transformative impact of digital technologies such as AI, data analytics, blockchain, and cloud computing on the auditing profession. It showcases how these tools improve audit accuracy, efficiency, and transparency while enabling real-time analysis. Case studies from Deloitte, KPMG, and PwC demonstrate successful implementation and tangible benefits. It also addresses key challenges, including cybersecurity, data privacy, and skill gaps.



CMA Swamy Nunna Practicing Cost Accountant Dubai nunnaswamy@gmail.com

Introduction

n the last few decades, auditing has evolved beyond its traditional methods, transitioning into the digital age. The profession, which once relied heavily on manual processes, paper-based systems, and in-person verification, now thrives on digital tools that promise to revolutionize how audits are performed. From Data Analytics and Artificial Intelligence (AI) to Blockchain technology and cloud computing, the tools available to auditors are reshaping the landscape of auditing offering more accuracy, efficiency, and transparency than ever before.

Let us explore how the digital age has transformed auditing practices, focusing on the technologies reshaping the profession, the benefits and challenges posed by these technologies, and the future of auditing. By analyzing case studies from major corporations and providing data from the Big 4 accounting firms, we will understand the scope of these changes and their long-term implications for the auditing profession.



1. The Evolution of Auditing: From Paper to Data

Auditing has traditionally been seen as a manual process, involving the examination of paper-based documents, financial statements, and physical assets to ensure accuracy and compliance. Auditors were required to review transactions, interview employees, and gather physical evidence to form an opinion on the financial health of an organization.

However, the digital revolution has altered this landscape significantly. The rise of technologies like

AI, cloud computing, data analytics, and blockchain has allowed auditors to shift their focus from manual checks and reviews to more sophisticated, real-time analyses of financial data. Rather than relying solely on financial statements, auditors can now tap into vast datasets, using algorithms and automated processes to identify patterns, risks, and discrepancies that may otherwise go unnoticed.

Data Analytics: Enhancing the Accuracy and Efficiency of Audits

One of the most significant advancements in auditing is the use of data analytics. By leveraging big data, auditors can examine entire datasets instead of just sampling transactions. This approach significantly improves the accuracy and scope of audits. Advanced data analytics tools enable auditors to detect anomalies, trends, and correlations in the data that can point to fraud, inefficiencies, or errors.

For instance, data analytics can help auditors detect financial fraud by identifying unusual patterns or outliers in transaction data. By comparing historical data with current trends, auditors can flag suspicious activities that may otherwise go unnoticed. The use of predictive analytics also allows auditors to identify potential risks in an organization before they escalate into larger issues.

Blockchain Technology: A Transparent, Immutable Audit Trail

Blockchain technology has brought about a significant transformation in how audits are conducted, particularly with its ability to provide an immutable, transparent record of transactions. Blockchain operates as a decentralized ledger where each transaction is recorded in a chain of blocks. Once data is recorded on the blockchain, it cannot be altered, making it a secure and trustworthy source of information.

In the context of auditing, blockchain enables auditors to verify transactions in real-time, eliminating the need for time-consuming reconciliations and manual checks. The transparency and security provided by blockchain can also enhance the credibility of audits, as stakeholders can independently verify the accuracy of the data.

Cloud Computing: Real-Time Collaboration and Data Access

Cloud computing has also played a significant role in transforming auditing practices. In the past, auditors were limited by physical access to client systems and data. Today, cloud-based platforms allow auditors to access financial data remotely; collaborate with clients in real-time, and use advanced tools to analyze data. Cloud technology offers scalability, cost-effectiveness, and security, making it an essential tool for modern auditors.

Through the cloud, auditors can perform continuous monitoring of an organization's financial data, enabling them to conduct real-time audits. This shift away from periodic audits allows auditors to provide ongoing insights into the financial health of an organization and respond to emerging risks more quickly.

2. Case Studies: The Impact of Digital Auditing Tools in Corporate

To understand the real-world impact of these technologies, let's look at some case studies of top audit firms that have embraced digital auditing practices.

Case Study 1: Deloitte and Blockchain in Auditing

Deloitte, one of the Big 4 accounting firms, has been a pioneer in adopting blockchain technology in its audit practices. In 2016, Deloitte became the first major audit firm to use blockchain technology in the auditing of public companies. The firm partnered with a blockchain start-up to audit a financial institution's transactions, verifying and confirming transactions in real-time using the blockchain.

The blockchain technology allowed Deloitte to eliminate the traditional audit process of reconciling data from multiple sources, significantly reducing audit time. By using blockchain's transparent ledger, Deloitte was able to provide a more accurate and secure audit opinion, offering clients a higher level of trust and confidence in the audit results.

Case Study 2: KPMG's Use of AI in Audit Processes

KPMG, another Big 4 firm, has integrated

artificial intelligence into its audit processes. The firm developed an AI-based system called "KPMG Clara" that helps auditors analyze financial data more efficiently. KPMG Clara uses machine learning algorithms to identify anomalies and risks in financial data, offering auditors real-time insights and enabling them to make more informed decisions.

In one example, KPMG used Clara to conduct a large-scale audit for a multinational corporation. The system identified multiple inconsistencies (specify inconsistencies) in the company's financial statements that were not apparent through traditional audit methods. As a result, KPMG was able to pinpoint areas of concern, mitigate risks, and offer valuable recommendations to the company.

Case Study 3: PwC's Data Analytics for Risk Management

PwC (PricewaterhouseCoopers) has embraced data analytics to help organizations manage risks and improve the accuracy of their audits. PwC's "Halo" data analytics platform analyzes transactional data from clients' financial systems to identify potential risks and trends. The platform provides auditors with real-time insights into financial transactions, allowing them to detect errors, fraud, and irregularities more efficiently.

In one notable case, PwC used Halo to perform an audit for a large retail company. The system identified discrepancies in inventory reporting, which led to a deeper investigation. The company was able to rectify the issue before it resulted in significant financial losses.

3. The Benefits and Challenges of Digital Auditing

Benefits

- Improved Efficiency and Accuracy: The integration of AI, data analytics, and blockchain technologies allows auditors to process large amounts of data quickly and accurately, reducing the time needed for manual checks and improving the quality of audit reports.
- Enhanced Fraud Detection: Advanced analytics tools can identify unusual patterns

- in financial transactions, helping auditors detect fraud and other financial irregularities earlier in the process.
- Cost Reduction: The automation of many aspects of the auditing process reduces labour costs, while digital tools allow for remote collaboration, cutting down on travel expenses.
- Real-Time Auditing: Cloud computing enables continuous monitoring of financial data, providing real-time insights and making audits more dynamic and responsive to emerging risks.

Challenges

- O Cybersecurity Risks: As more auditing processes move to digital platforms, the risk of cyberattacks increases. Firms must invest in strong cybersecurity measures to protect sensitive client data.
- Data Privacy: Auditors must ensure that they comply with data privacy regulations such as GDPR when handling large datasets.
- Skill Gaps: The rapid adoption of new technologies requires auditors to acquire new skills. Continuous training is essential to keep up with the evolving landscape.

4. The Future of Auditing in the Digital Age

The future of auditing will likely involve a greater reliance on automation, artificial intelligence, and continuous monitoring. Auditors will become more like advisors, providing real-time insights into an organization's financial health rather than simply verifying historical data.

Moreover, the integration of blockchain and AI into auditing will likely lead to the rise of "smart contracts" that automatically execute audit procedures, streamlining the audit process even further.

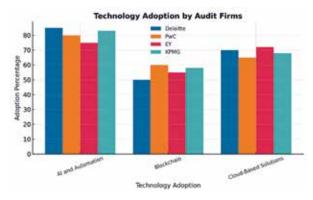
5. Big 4 Data: Digital Adoption and Transformation (period considered for the below table to be mentioned)

The Big 4 accounting firms Deloitte, PwC, EY, and KPMG are at the forefront of this digital transformation. According to a recent report from

KPMG, 82% of audit firms globally are investing in AI and automation technologies as part of their digital transformation initiatives. Additionally, 67% of respondents reported that their firms had already adopted cloud-based auditing solutions, with many firms expecting to see significant changes in the next five years.

Here is a breakdown of the digital adoption rates across the Big 4:

Technology Adoption	Deloitte	PwC	EY	KPMG
AI and Automation	85%	80%	75%	83%
Blockchain	50%	60%	55%	58%
Cloud- Based Solutions	70%	65%	72%	68%



6. Software Available for Financial Digital Auditing

The role of technology in the auditing industry has grown significantly in recent years, with various software solutions helping auditors streamline their workflows, enhance accuracy, and provide deeper insights into financial data. Digital auditing software tools enable auditors to automate manual tasks, analyze vast amounts of data, and improve decision-making.

1. ACL Analytics, a Canadian Software

ACL Analytics is one of the leading software solutions in the financial auditing space. This tool is designed to help auditors and financial professionals analyze large volumes of data to identify discrepancies, anomalies, and inefficiencies. It allows for in-depth data analysis, trend detection, and fraud detection, providing auditors with critical

insights to assess financial health and compliance. ACL Analytics is popular among audit professionals for its powerful data mining, statistical analysis capabilities, and seamless integration with existing financial systems.

Key Features:

- Comprehensive data analysis and reporting tools
- Fraud detection through anomaly identification
- Integration with various accounting software
- Real-time analysis capabilities

2. CaseWare IDEA

CaseWare IDEA is a comprehensive data analytics software used widely in financial auditing. It helps auditors automate repetitive tasks, allowing them to focus on higher-level analysis and decision-making. With its strong data analysis tools, IDEA can extract, manipulate, and analyze data from various sources, providing auditors with a clear picture of an organization's financial health. The software is used for risk assessment, fraud detection, and continuous auditing, making it a favourite among professionals in the field.

Key Features:

- High-quality data extraction and analysis tools
- Risk detection and fraud prevention functionalities
- Visual reporting and real-time collaboration
- Integration with accounting systems and data sources

3. Thomson Reuters Advance Flow

Thomson Reuters Advance Flow is an audit management solution designed for small and medium-sized businesses as well as larger firms. It offers a cloud-based platform that simplifies the audit process by automating manual tasks, such as document management, client communication, and financial reporting. With its user-friendly interface, Advance Flow allows auditors to streamline workflows, enhance collaboration, and access documents securely from anywhere.

Key Features:

- Cloud-based document management
- Automation of financial reporting and audit processes
- Integration with other Thomson Reuters products
- Real-time collaboration and communication tools

4. Wolters Kluwer CCH ProSystem fx

Wolters Kluwer's CCH ProSystem fx is popular audit software used by firms to conduct comprehensive financial audits. The platform allows auditors to collaborate on audit projects in real-time and provides tools to streamline compliance checks and report generation. CCH ProSystem fx offers a range of features for working with financial statements, tax returns, and client accounts, making it an ideal tool for firms looking to conduct thorough audits efficiently.

Key Features:

- Real-time collaboration tools
- Financial statement preparation and reporting
- Tax compliance and audit planning
- Integration with various accounting and financial software

5. AuditBoard

AuditBoard is an intuitive and powerful audit management platform tailored for modern audit professionals. It is widely used for both internal and financial audits, offering advanced features for risk management, workflow automation, and compliance monitoring. AuditBoard's real-time reporting, task tracking, and customizable dashboards enhance collaboration and visibility for audit teams, improving the overall audit process.

Key Features:

- Automated workflows and task management
- Real-time reporting and analytics
- Risk management tools
- Integration with various financial software



Conclusion

Auditing in the digital age represents a significant shift in how auditors approach their tasks. The integration of data analytics, AI, blockchain, and cloud computing has allowed auditing to evolve into a faster, more accurate, and more transparent process. Companies like Deloitte, KPMG, and PwC have demonstrated the power of these technologies through case studies and successful implementations.

However, challenges such as cyber security risks, data privacy concerns, and skill gaps remain. As the digital transformation continues to reshape auditing, auditors will need to adapt, embracing new technologies and techniques to stay ahead of the curve. The future of auditing lies in real-time, continuous monitoring, where auditors provide more value through insights and advisory roles, rather than just historical verification.

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MULTI-JURISDICTIONAL AUDIT FAILURES – REAL WORLD CASES

Abstract

Big audit firms often undertake audits of companies that have operations in different countries. Companies with such multijurisdictional operations are among the most difficult audit clients. In the history of auditing, there have been several instances where audit firms have knowingly or unknowingly failed in their duties as auditors. One reason behind this is the plethora of challenges that these audit firms have often faced when performing audits into client companies that engage in cross-border business operations. This article focuses on two of the most significant challenges faced by audit firms when they perform audits for such clients, presents real world cases for better understanding of the said challenges and also highlights the learning from these cases.

INTRODUCTION

here are several challenges that audit firms face when performing cross-border or multi-jurisdictional audits. These challenges can be understood in terms of differences in accounting and auditing standards, complexity in business structures, cultural and language barriers, international regulatory compliances, data protection and privacy concerns, among others. The paragraphs below address the challenges in cross-border audits that arise from difference in accounting and auditing standards and the complexities in business structures.

CHALLENGES ARISING FROM DIFFERENCES IN ACCOUNTING AND AUDITING STANDARDS

There can be significant differences in accounting and audit rules across nations and this holds true even



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in case of nations that share cultural similarities. Even with the advent of the International Financial Reporting Standards (IFRS) that aimed at making accounting standards consistent across borders, there are still differences in how companies across the world account for their transactions. To make matters even more difficult, auditing practices across nations also differ.

A good case in point is the acquisition of British software company Autonomy Corporation PLC by the American information technology company Hewlett-Packard (HP) at the start of October 2011 wherein all of the Big 4 audit firms were involved in some manner. A year after the acquisition, in November 2012, HP announced an impairment charge of about US\$8.8 billion. In its "Form 8-K" which must be mandatorily filed with the U.S. Securities and Exchange Commission (SEC) to report unscheduled corporate changes or material events, HP attributed this write-down of intangible assets (including goodwill) to pre-acquisition accounting irregularities at Autonomy Corporation that led to misrepresentation in expectations related to future financial performance. The flexibility offered by the IFRS to Autonomy Corporation in revenue recognition was a problem area from the standpoint of the U.S. Generally Accepted Accounting Principles (GAAP) that HP used. Likewise, the differences between IFRS and U.S.

GAAP in treating revenues generated from bundled products, downstream sales, and several other items led HP to question if Autonomy's revenues and profits were correctly reported.

The financials of Autonomy were audited by the British arm of Deloitte which had given an unqualified (unmodified) opinion to Autonomy. It is worth noting that the audit firm at that time was also a provider of non-audit services to Autonomy. While this would not have been an issue in the U.K., provision of non-audit services to an audit client is considered in the U.S. as impairing the auditor's independence. For the purposes of acquisition due diligence, HP had hired KPMG as a consulting auditor and KPMG found nothing wrong with Autonomy's accounting treatment of revenues and other items. HP's external auditor Ernst & Young (EY) gave an unqualified opinion to HP on December 14, 2011 on its results as of October 31, 2011. This means EY found nothing wrong with the values of assets and liabilities and the calculations pertaining to the goodwill resulting from the acquisition of Autonomy. In early 2012, based on a warning from an ex-employee of Autonomy that HP might have overpaid for the acquisition, HP hired Price Waterhouse Coopers (PwC) as an independent forensic consultant. PwC discovered major issues, thereby forcing EY to sign off on books that would now indicate that a significant portion of the goodwill that was previously considered to be correct does not even exist.

The case of HP/Autonomy deal brings to the fore the difference in auditing standards, with the auditing standards in the U.S. being more stringent when it comes to auditor independence. It also brings to the fore that KPMG as consulting auditor failed in its duty to reconcile Autonomy's financial statements created under IFRS to U.S. GAAP that guides the creation of HP's financial statements. Finally, while there is an expectation from big audit firms that they, by virtue of their worldwide presence, can guide their local arms in various countries regarding the best and most suitable audit practices, it appears that it is normally the local standards and norms that influence how audits get performed. This holds true even in case of audit partners that belong to the same global audit firm but work in different nations. The ultimate outcome in such cases is the sub-par quality of audit results.

CHALLENGES ARISING FROM COMPLEX BUSINESS STRUCTURES

When a corporation has a complex group structure comprising of a holding company, several subsidiaries, branches and the principal shareholders spread across the globe, there can be significant issues with auditing and supervision of the corporation.

A good case in point is that of the Bank of Credit and Commerce International (BCCI) which was created in 1972 and failed in July 1991. The banking group had a very fractured structure. It was incorporated in the year 1972 in Luxembourg where banking was loosely regulated during the time. A holding company was created and it split the bank into BCCI SA incorporated in Luxembourg and BCCI Overseas incorporated in Cayman Islands. At its peak, the bank had branches in 73 countries while the principal shareholders were based in Abu Dhabi.

In its fourth year of existence i.e. in 1976, BCCI SA moved its head offices to London despite remaining incorporated in Luxembourg. At the time, going by the Basel Committee's established principles, the Institute Monetaire Luxembourgeois (IML) was supposed to be the bank's lead regulator and was considered to be responsible for supervising the banking group on a consolidated basis. However, due to the operational head office now being in London and 98% of the banking group's business being outside of Luxembourg's jurisdiction, the IML failed in its duty of consolidated supervision. At that time, the supervisory responsibility for U.K. banks rested with the Bank of England (BOE). Despite the banking group's main wholesale business being operated from its London offices, the BOE was not responsible for the whole banking group's supervision. All this while, the bank engaged in fraud to conceal lending losses and support its worldwide growth. This was done by deliberately not recording deposits (liabilities) and showing fictitious loans (assets) that were seen as generating huge fictitious profits. Within its treasury operations, proprietary trading would be conducted using depositors' money and not the bank's own funds and any losses from proprietary trading were concealed through additional fictitious loans. The Consultancy division of PwC, which was the audit firm for the banking group's Cayman Islands operations, advised the banking group to move its treasury operations from London to Abu Dhabi in 1986 so that the banking group could circumvent significant tax liabilities tied to the its activities during the period 1982-1985.

By 1987, the Basel Committee, which had now become concerned about consistent heavy losses from proprietary trading, the bank's failure in getting any regulator to act as lender of last resort and suspicions about fraud, established a College of Regulators to supervise the activities of the bank. Until this time, the two auditors hired by the bank - EY(the auditor of the holding company and the Luxembourg operations) and PwC(the auditor of the Cayman Islands operations in addition to being a consultant) – did not ever question the banking group about the split audit responsibility. It was obvious for all these years that having two auditors instead of one had restricted the scope of authority of both of the auditors. This in turn helped the banking group to carry on its fraudulent activities. But now that the Basel Committee had started getting concerned about the banking group's operations, one of the auditors - EY - also started demanding that only one firm be given the responsibility for auditing the entire banking group. In May 1987, the banking group decided on having PwC as the sole auditor for all of its worldwide operations.

With a much broader scope of authority, PwC in May 1988 submitted a report to the College of Regulators wherein it was pointed out that the banking group made several loans to a few customers who were actually the shareholders of the banking group. However, the information provided was minimal since the audit firm had realized it had failed in its duty of appropriate adequate disclosures to the regulators in all these years and if this becomes known publicly, the firm may lose the trust of its clients.

In early 1990, under the provisions of the 1987 Banking Act of the U.K. wherein auditors had the "right" but were not under a "duty" to report fraud to authorities, PwC secretly informed BOE about suspected fraud within the banking group. Despite this, in May 1990, the audit firm issued an unqualified report on the banking group's 1989 financial statements. In the remainder of 1990 and early 1991, BOE worked with the Abu Dhabi government quietly to recapitalize and restructure the bank but by July 1991 the College of Regulators shut down the bank.

This case highlights how several years of

silence on part of the auditors regarding the split responsibilities and the restricted scope of authority allowed the fraud to continue. Additionally, auditor's independence also comes into question because despite the red flags, the auditors, especially PwC, continued issuing unqualified reports. This means the audit firms placed more importance on making money by providing services to their clients than to act in the interests of public (in this instance, the depositors whose funds were misused by the bank and not returned).

CONCLUSION

The HP/Autonomy imbroglio shows how the issues created by different accounting rules are accentuated by differing audit standards when auditors perform audits for clients which operate in different jurisdictions. It underscores the need for making audit reports more utilitarian through an overall control mechanism within global audit firms that transcends geographical boundaries. The auditing failure in case of the banking group BCCI shows how audit firms may choose to remain silent despite obvious red flags in order to take care of their own economic interests by not disengaging from clients and continuing to earn fees for issuing unqualified opinions. It underscores the need for making it a statutory duty for auditors to report frauds to regulatory authorities. MA

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AUDITING IN THE DIGITAL AGE

Abstract

In discussing the state of auditing in the digital age, this paper studies the role of Artificial Intelligence (AI) in the transforming the field of auditing. The discussion of how AI technologies benefit by improving efficiency, productivity and through better fraud detection mechanisms and error reduction within the auditing processes forms the first part of the article. Subsequently, the discussion continues with of some of the most common challenges in implementing AI in auditing, such as ethical biases in algorithms, and the obscure working of AI processing logic and complete autonomy in AI decision making causing discrepancies. The paper ends with a commentary on the strategies that can be deployed to mitigate these issues, promoting the crucial role of human intervention and encouraging collaborative action for mitigating risks, while concluding how AI with the opportunities and obstacles it brings along, is poised to redefine the field of auditing.



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Introduction

ith the advent of Industry 4.0, and changing customer expectations, organizations are finding a heightened need for innovating, transforming and utilizing new age technologies such as Artificial Intelligence (AI), machine learning and data analytics in order to keep from being left behind and to thrive in the fast-paced environment. Organizations are seeing the need to leverage the advantages of such digital technologies in improving operations, arriving at better decision making and incorporating better customer engagement, so much so that digital

transformation rather than being a choice has now become an inevitable part of an organization's strategy (Gibson, 2024).

The auditing profession is finding itself in the midst of all these changes happening in business environments and is already in the process of going through a transformation with the introduction of AI in its realm of work. Historically, auditing has been slow to the adoption of technology because of the complexity of the nature of audit. In audit, experts have to review data from multiple sources, applying professional judgement through sound knowledge of accounting standards and experiences, gauging the sufficiency of evidence in verifying legitimate transactions or accounting treatments, and so on. Besides, the process of achieving the audit outcomes has always incorporated several tasks for conducting checks that are manpower driven and repetitive and often unavoidable. But with the obligation of compliance and regulation looming over the auditors' heads, automating these tasks seemed like the obvious next step (Seethamraju & Hecimovic, 2022). In the beginning, such automation took the shape of computer assisted audit techniques (CAAT) that included automation in the form of transmitting electronic requests to debtors for balance confirmation. But as per Seethamraju & Hecimovic (2022), evidence through research showed that except for simple MS Office tools, more than half of the auditors did not use advanced CAATs. Such lag in the adoption of complex tools again seems to have stemmed from the nature of audits needing the combination of curiosity, knowledge, experience and

professional discretion and competence in assessing evidence and making well informed professional judgements about the presentation of financials (Seethamraju & Hecimovic, 2022). Given this, the focus of the development of AI tools has been the introduction of technology that can automate and replicate cognitive functions performed by human beings. The World Economic Forum had predicted in 2015 that close to a third of corporate audits would be AI managed by 2025 (Munoko et al., 2020).

The benefits

As per Hasan (2022), as with other areas of work, with the widening of the applicability of AI into accounting and auditing, benefits in the form of higher accuracy, better productivity and efficiency are expected. Improving the quality of the audit by adopting AI algorithms that can analyse huge amounts of data and highlight patterns or areas of risk and make projections to guide detailed analysis and investigation is seen as one of the biggest advantages of AI investment in auditing. This of course can be accompanied by the consequential impacts of increasing efficiency and drastically reducing time and cost with every increase in AI investment and adoption (Fedyk et al., 2022). As per Munoko et al. (2020), the Big 4 firms are increasing their investment in AI and incorporating the use of AI systems for reviewing books, reconciliations, checking compliance and even managing audit plans, schedules and working papers. As developments are happening in the field of AI, AI is moving from being used as assisting systems (to do routine and repetitive work), to augmenting systems (that work with humans in the decision-making realm) to autonomous systems (where AI systems interpret scenarios and handle decision making independently) (Munoko

For mitigating these risks and for providing ethical boundaries and guidelines to the use of AI in the auditing process, mere technical solutions may not suffice

et al., 2020). Identification of irregularities, detection of fraud and anomalies in patterns through the mining of large volumes of data including text and images, and visualization of information through the use of AI and data analytics by audit firms has said to have improved governance as well

as reduced the need for material restatements thus improving the overall effectiveness of audits (Fedyk et al., 2022). While manual audits in large organizations often depended on sampling data for checks, such AI systems are able to examine all transactions in detail in a short amount of time, something that would be impossible to perform manually, thereby improving the effectiveness of checks and managing risks and assisting in the detection of frauds.

The conflicts

But the surge in the development and adoption of such technology is bringing with it some unintended consequences. The lure of efficiency and convenience brought about by next-gen technologies are making the task of identifying challenges associated with it to be visible only after prolonged and rampant use (Munoko et al., 2020). Besides, the volatility of the growth of such cutting-edge technology is making timely risk mitigation next to impossible (Munoko et al., 2020). Then there are growing concerns about the ethical considerations of AI. These include the risks of biases that could lead to discrimination and unfair decisions (Murikah et al., 2024). As per Murikah et al. (2024), there is also the fear of inadequate understanding of how AI systems behave as they are also impacted by the possibility of inherent biases and inconsistencies in the training data that machine learning systems are fed with, especially when such data is of poor quality, thus leading to evolving of their cognitive skills and making AI systems opaque in terms of the functionality and logic of processing and decision making. The purported prejudice against women in the credit limits approved by AI systems for Apple credit card, that was vehemently denied but could not be explained satisfactorily by the

organization that worked on the algorithm is only one such example(Knight, 2019). The racial bias discriminating against minorities in the health care algorithm of United Health's health assessment of patients may be another example of the impending dangers of AI(Murikah et al., 2024). These kinds of biases are very relatable in the auditing world where assessments may be skewed or false positives for fraud may be picked up by systems based on the profile of the employees, organizational leaders and so on. Given the awareness of these potential ethical downsides on one side and the attraction of efficiency, cost reduction and productivity on the other, trade-offs that prioritize commercial gains over the risk of erosion of societal values and trust cannot be easily permitted.

The ethical predicaments caused by the use of AI-based decisions in auditing can be categorized into the following major problem areas (Murikah et al., 2024):

- Fairness: The objectivity required to make ethical choices is still absent in AI systems, since they are often impacted by existing subjective irregularities in the data.
- Privacy and security: This relates to the collection and handling of sensitive data by AI systems and the risk of data leaks and other cybersecurity risks.
- Transparency: The inaccessibility of the mechanism of how AI systems self-evolve and learn through the continuous feed of data and process and evaluate data to come to conclusions makes AI systems lack the transparency that is necessary to reassure the correctness of the system.
- Ownership: The lack of transparency leads to a difficulty in assigning accountability to specific personnel for AI abnormalities and bad decisions.
- Trust: Given the problem areas discussed above, complete automation of systems with lack of human intervention can impact the trustworthiness of the public.

Despite the benefits, therefore, in case of the auditing, it may be found that the principles underpinning the conduct of good audit and that

which protect public interest, such as the rigor of evaluation or professional scepticism, ability to be impartial, and exercising fairness in judgment could be compromised by such AI systems that hamper human intervention and comprehension (Murikah et al., 2024). The professional values of the American Institute of Certified Public Accountants (AICPA) in their ethics code requires that auditors strive to the best of their abilities to uphold ethical standards of audit and improve service quality but the moral dilemmas of the autonomous use of AI lead to a compromise of such code of ethics (Munoko et al., 2020).

Mitigation and conclusions

For mitigating these risks and for providing ethical boundaries and guidelines to the use of AI in the auditing process, mere technical solutions may not suffice. Rather, a multi-directional approach may be required. This means that a collaborative process that could involve audit firms and auditors, lawmakers, investors, professional associations along with contributions from citizen organizations who deal with public safety and security can prove to be beneficial (Murikah et al., 2024). While the first and foremost step to be taken relates to increasing transparency in the AI systems, by providing for scrutiny of the logic applied in algorithms, the quality of the data fed to learning systems and conducting audit into the mechanics of how the AI systems work, it is important to keep human intervention at all times when it comes to crucial decision making .Updating of regulations and audit standards by governments and professional associations to align to the current tech-centric environment can help ease the pressure of having to adhere to legacy rules that may not be completely applicable today. Letting higher order thinking skills of humans such as critical thinking, objective questioning and scrutiny continue to preserve professional ethos in auditing, is key (Murikah et al., 2024). Clear assignment of appropriate roles so accountability can be established in a humanmachine hybrid environment will ensure public interests are safeguarded. Finally, proactivity on part of auditors to upgrade their technological competencies while also undergoing ethics training can create the combination of skill sets that will

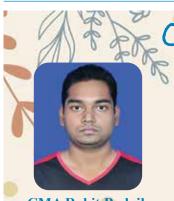
protect the sanctity of audit processes in the future.

As Hasan (2022), rightly pointed, only time will tell what really emerges from the enhanced adoption of AI in auditing. But the one thing we can be certain of, is the fact that it is going to revolutionize this field of work and students, professionals, educational institutions, organizations, policy makers and regulators must be well prepared to manage the boon and bane that it brings along. As per Mamo & Menezes (2025), the next generation audit that incorporates real time data analysis, integration of AI, computerization, comprehensive monitoring of transactions and clearer reporting is well placed to meet the current demands of swiftness, correctness and lucidity that is necessary for the challenging conditions that organizations are today operating in. This is making the adoption of AI in the digital age of auditing not merely a fad but a requirement for organizations to raise the bar on how their processes including traditional audit are enhanced through the adoption of state-of-the-art technology. As per Mamo & Menezes (2025), the value proposition of delivering quality, meeting compliances, addressing stakeholder needs for transparency and better insights, while also bettering productivity numbers through the use of digital technologies like AI and data analytics in auditing is indeed lucrative and is establishing the roadmap to redefine the world of auditing. MA

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CMA Rohit Badaik



congratulations!!!

CMA Mithun Kumar Rajak



CMA Aarti

Our Heartiest Congratulations to CMA Rohit Badaik, CMA Mithun Kumar Rajak and CMA Aarti on being selected for the Post of Assistant Director (Cost) in the Office of Chief Advisor Cost, Department of Expenditure, Ministry of Finance conducted by UPSC.

We wish all of them the very best for all their future endeavors.

IBBI AS NEW REGULATORY SCENARIO IN INDIA ROLE OF CMA'S AS INSOLVENCY PROFESSIONALS

Abstract

The Insolvency and Bankruptcy Board of India (IBBI) plays a crucial role in India's regulatory framework for insolvency and bankruptcy. Established under the Insolvency and Bankruptcy Code (IBC), the IBBI ensures an efficient insolvency resolution process. Cost and Management Accountants (CMAs) serve as insolvency professionals (IPs), contributing their expertise to the process.

IBBI's Role:

- Regulation: Registers and regulates IPs and insolvency professional agencies (IPAs).
- Development: Frames and enforces rules for various insolvency processes.
- Oversight: Monitors service providers and enforces disciplinary actions.

Recent Initiatives:

- Stakeholders' Consultation Committee (SCC): Mandates liquidators to consult the SCC for critical decisions.
- Monitoring Committees: Proposes committees to oversee the execution of resolution plans.
- Regulatory Framework for Insolvency Professional Entities (IPEs): Rationalizes regulations, clarifying disciplinary proceedings and assignment limits.

Role of CMAs:

- Resolution Process Management: Assess financial viability and invite resolution plans.
- Liquidation Oversight: Ensure equitable asset distribution.



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 Advisory Services: Provide strategic advice on restructuring and compliance.

The IBBI's initiatives and the involvement of CMAs aim to enhance the efficiency and effectiveness of the insolvency resolution process, strengthening India's financial system.

The Insolvency and Bankruptcy Board of India (IBBI) has emerged as a pivotal institution in India's regulatory framework, particularly concerning insolvency and bankruptcy proceedings. Established under the Insolvency and Bankruptcy Code (IBC), the IBBI oversees the implementation of the IBC, ensuring a structured and efficient insolvency resolution process. A significant aspect of this framework is the role of Cost and Management Accountants (CMAs) as insolvency professionals (IPs), who contribute their expertise to the insolvency resolution process.

IBBI's Role in the Regulatory Landscape

The IBBI functions as the apex body responsible for the regulation and development of the insolvency and bankruptcy framework in India. Its key responsibilities include:

1. Regulation of Insolvency Professionals and Agencies: The IBBI registers and regulates IPs

- and insolvency professional agencies (IPAs), ensuring that they adhere to the prescribed standards and code of conduct.
- 2. Development of Processes and Procedures: It frames and enforces rules for corporate insolvency resolution, liquidation, individual insolvency, and bankruptcy processes.
- 3. Oversight and Enforcement: The board monitors the performance of service providers under the IBC and takes disciplinary actions when necessary.

Recent Initiatives and Amendments

To enhance the effectiveness of the insolvency framework, the IBBI has introduced several amendments and proposals:

- Stakeholders' Consultation Committee (SCC): The IBBI has mandated that liquidators consult the SCC before making critical decisions, such as initiating legal proceedings or opting for early dissolution. This move aims to promote transparency and stakeholder involvement in the liquidation process.
- Monitoring Committees for Resolution Plans: In response to challenges in implementing resolution plans, the IBBI has proposed the formation of monitoring committees. These committees, comprising representatives from the Committee of Creditors (CoC), the resolution applicant, and an insolvency professional, will oversee the execution of approved plans, ensuring compliance and timely implementation.
- Regulatory Framework for Insolvency Professional Entities (IPEs): The IBBI has rationalized regulations concerning IPEs, clarifying disciplinary proceedings, assignment limits, and fee structures. Notably, the limit on the number of assignments applicable to individual IPs does not extend to IPEs, reflecting their institutional capacity.

Role of CMAs as Insolvency Professionals (IP's)

Cost and Management Accountants with their expertise in financial management, cost control, and performance evaluation are well-suited to serve as IPs under the IBC. Their roles encompass:

 Resolution Process Management: CMAs facilitate the corporate insolvency resolution

- process by assessing the financial viability of distressed entities, preparing information memoranda, and inviting resolution plans.
- Liquidation Oversight: In scenarios where resolution is unfeasible, CMAs oversee the liquidation process, ensuring equitable asset distribution among creditors.
- Advisory Services: They provide strategic advice to stakeholders on restructuring, turnaround strategies, and compliance with regulatory requirements.

The IBBI's initiatives to involve professionals like CMAs aim to enhance the insolvency resolution process's efficiency and effectiveness, contributing to a more robust financial system.

Conclusion

The IBBI's proactive measures in refining the insolvency framework, coupled with the specialized skills of CMAs as insolvency professionals, have strengthened India's approach to insolvency and bankruptcy. This collaborative effort ensures that insolvency proceedings are conducted transparently, efficiently, and in the best interests of all stakeholders, thereby fostering confidence in the financial system.

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THE DHFL SCAM: A CASE OF REGULATORY FAILURE

Abstract

After the scam was unfolded in DHFL, the directors were accused of loan fraud, money laundering, and a web of fake borrowers and shell companies. Very recently, the CBI closed the case pertaining to 260000 allegedly fictitious home loan accounts.



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1. Introduction

ew financial scandals have shaken the country as profoundly as the "Dewan Housing Finance Limited" (DHFL) scam. As one of India's largest banking frauds, it involved siphoning public funds through shell companies for personal gain. On November 20, 2019, the trust of depositors in the banking system plummeted when RBI displaced the Board of Directors of DHFL due to severe financial scandals, irregularities and frauds amounting to over 3,40,000 million INR (approximately 4.30 billion U.S. dollar). DHFL's downfall began with allegations of fund misuse, followed by credit rating downgrades and eventual default on interest payments (Sharma et al., 2023). The DHFL financial scam serves as an eye-opener for the regulators. The unprecedented nature of this scandal emphasizes the need for stringent regulatory mechanisms to avert future occurrences.

This case study delves into the intricate web of

fraudulent practices and their far-reaching impact on investors. It underscores the importance of vigilant financial statement analysis, effective credit rating frameworks and robust corporate governance practices in preventing such crises. It also emphasizes the need for independent management and stronger regulatory oversight in the banking sector.

2. The Facade and the Reality of DHFL

DHFL was incorporated under the "Indian Companies Act, 1956" by the founder Late Rajesh Kumar Wadhawan with a zeal that "Every Indian to own a home of his own". It essentially dispensed home loans to "lower and middle-income groups" exclusively in Tier-II and Tier-III centric cities across the horizontal and vertical of the country covering 322 locations (DHFL, 2019). In 2003, it came to have the housing finance wing of "ING Vysya Bank" and continued to take over "Deutsche Post bank Home Finance Ltd." in 2010 to move in

the higher loop of loan division for disbursing loan to Tier-I cities.

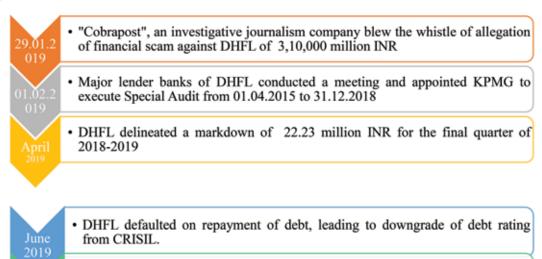
The cracks in the DHFL's facade began to unveil in 2019 when media reports brought allegations of DHFL's irregularities in loan disbursement. Thereafter, in 2022, the "Union Bank of India", a part of the consortium lender having lent substantially to DHFL filed a "First Information Report" (FIR) to CBI taking to court for criminal deception, cheating, criminal infringement of trust and doctoring of books of accounts worth over 3,40,000 million INR outstanding (BS, 2024).

3. Unravelling the Financial Shenanigans of DHFL

The scam of over INR 340 billion (approximately \$4.3 billion) involved accusations of loan fraud, money laundering, and a web of fake borrowers and shell companies. The DHFL scam had been an exemplary instance of fraud of unauthorised credit facilities extended for illegal gratification by the promoters of DHFL group (Bansal, 2023). The Cobrapost, an Indian non-profit seeking news production house was the first to bring the India's largest banking loan fraud under the notice of public through a press report (Cobrapost, 2019). The incident got profound from May 2019 when the DHFL began to falter its loan repayment commitment to consortium lenders and also failing to redeem non-convertible debentures. Soon in the following month, DHFL faltered to discharge its first quarter interest payment resulting down-gradation of rating on debt instrument by the agency. Consequently, its share price dropped down by 32%, the lowest in preceding two quarters (Tiwary & Sahay, 2021). The falter continued and finally lender banks started to declare the loans as Non-Performing Assets from October 2019 onwards and later on marked it as fraud and accordingly filed Fraud Monitoring Returns (FMR) to RBI.

The events outlined at Figure 1 display an overview of the whistle blowing by Cobrapost and incidents thereafter

Figure 1



The subsequent impact of low grading drops the share price by 32%

Source: The Authors

5.07.20 19

The outstanding amount of loan disbursed to DHFL as on 31.07.2020 by Consortium lenders stood as follows:

DHFL had long track record of availing loans and credits since 1984 and all credit facilities were granted by the lending banks relying on the status of the borrowing company and its directors along

with promoters in respect of a) quantum of funds required, b) the purposes of finance, c) the financial statements, projections of revenue and profitability and d) compliance of statutory requirements. The scam had been orchestrated through transferring huge corpus of funds in form of loans to shell companies and further channelising the sanctioned funds back to point of disbursement (DHFL) account making a full circular system of systematic loan fraud using several associated and controlled companies (QRIUS, 2019). Inspection revealed the existence of initial 45 shell corporations which had a web of 87 ghost companies only to siphon off the acquired loan funds dishonestly (BS, 2024). DHFL had sanctioned and advanced loan to those doubtful organisations without any mortgaged securities or collaterals. These credits were disbursed against so called promising projects but in reality, was a way to divert public funds to garner personal wealth. Moreover, a large number of such companies were run using the identical emails, similar address and common principal directors. The transactions of DHFL were window dressed in a manner that the disbursed loan as well as the repayment had no reflection in the financial statements of DHFL (Bansal, 2023). The promoters of the company had manipulated its books of accounts by diverting funds to their associates, Sudhakar Shetty for investment in partnership business of 1,40,000 million INR instead of advancing retail loans. Thus, they embezzled retail loan portfolio information comprising more than 0.18 million forged details of individual borrowers. The forensic report disclosed that DHFL used fraudulently 2,60,000 fictitious home loan accounts under "Pradhan Mantri Awas Yojna" (PMAY) amounting to 1,40,460million INR of which 1,17,557.9 million INR was siphoned off using a false digital branch "Bandra Book Firms" (Shobha & Kumari 2021), besides illegally availing 18,800millionINR interest subsidy under PMAY. Those funds had been not only employed by the promoters to reproduce their private wealth in the form of property and equity in India, Mauritius, United Kingdom, Dubai but was also used to acquire a cricket team in Sri Lanka at the Sri Lankan Premier League (TOI, 2019).

4. Regulatory Failure

DHFL demonstrated the least regard for the

regulations. Despite (National Housing Bank) NHB's mandate to matchup borrowings to the tune of 12 times their net-owned funds, DHFL tried to cover up its inadequacy by providing management observations in its audited financial statement for FY 2018-2019 that the capital inadequacy observed by NHB 'relate to numbers compiled based on regulatory guidelines' and 'the Management believes that the observations may not have any implications' (Tiwary & Sahay, 2021). Instead of imperative action by the regulator to this kind of disregard displayed by DHFL, the regulators preferred to remain silent. The regulatory failure rests with the fact that the extant regulation does not mandate such an act of cover up under strict review, thereby pointing out the weakness of the existing framework.

The *suo-motu* Audit Quality Review (AQR) highlighted that the appointment of 33 branch auditors who signed the "Independent Branch Auditors' Report" for nearly 250 branches of DHFL was invalid, not being approved at DHFL's Annual General Meeting (AGM), thereby contravening the Companies Act, 2013. The AQR also revealed discrepancies in compliance with Standards on Auditing (SAs), inadequate audit documentation and certifying audit reports without proper examination or supervision of audit procedures, as required under the extant law (ET, 2023). It connotes from the report of AQR that by circumventing the laid-out procedure, the appointment of auditors was favoured by management of DHFL who in turn abused the opportunity to flout the principles and standards of audit. The report of AQR provides enough evidence that the existing framework of audit lacks independence when the auditor's appointment is controlled by the company or bank being audited. Unless, the appointment, quality and procedure for audit are truly independent, these kinds of regulatory failures are bound to recur in the future. It is indeed a cause of concern that the hard-earned money of common people is at risk under the current audit framework. Hon'ble Supreme Court of India's landmark judgement in the case of S. Kumar Vs. Secretary ICAI & Ors.[ii], advocated for the separation of auditing business from consultancy services to ensure the independence of auditors, asserting that accounting

COVER STORY

firms should not be left to self-regulate. In spite of the serious note of the Apex Court, the entire landscape of audit in the country has more or less remained self-regulated.

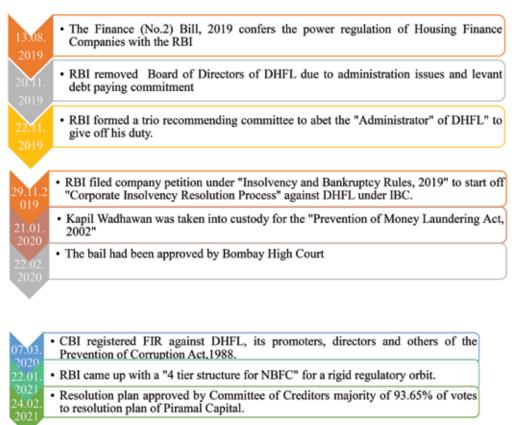
The activities pertaining to fraudulent activities provide Early Warning Signals (EWSs) which were perceptible in the DHFL financial fraud, like large transactions with allied entities resulting in heavy unpaid balances from those entities, sizeable allied party settlements, disputes on the titles of collateral securities, default in payments to banks / market borrowings, resignation of key personnel, downgrading of external ratings to default category and reporting of Red Flagged Account (RFA) by other banks. The current credit monitoring system lacks the capability to automatically respond to the EWS. Since the existing credit monitoring system is not a regular feature in the reporting system for the quarterly and annual reviews of banks' financial statements, the required regulatory action only occurs after a significant period of wrongdoing.

Over and above, in this case, the principles of business ethics were completely compromised. The way in which the promoters of DHFL, orchestrated the scam with ease, highlights the lack of an efficient internal control mechanism and the absence of transparency and accountability in the bank's system. It also questions the governance mechanisms and independence of the committees within the board structure. Compromise in business ethics primarily affects stakeholders, as they have placed their trust and confidence in the organisation. Unless the unethical practices, as discussed in this case, are brought under the ambit of an independent and strong regulatory framework, the public interest will continue to be compromised in the future days.

5. Regulatory Response

The events outlined below in the figure demonstrate the regulatory responses.

Figure: 2





NCLAT approved Piramal Capital resolution plan for DHFL

30.09.20 21

· Piramal Capital & Housing Finance Limited acquired DHFL

20.06.20

 CBI booked DHFL and its directors including others for defrauding 17 banks of more than 3,40,000 million INR

15.10.20 22 CBI files charge sheet against 75 entities including Kapil and Dheeraj Wadhawan.

01.10.20

 DHFL branch audit: NEFRA deals with 18 auditors and debars them for 6 to 12 months

24.02.20 24 SEBI ordered to put up linking of bank details along with demat accounts of DHFL's past-promoters

Source: The Authors

Shortly after taking control, RBI referred DHFL to the "National Company Law Tribunal" (NCLT) for liquidation affairs under the "Insolvency and Bankruptcy Code" (IBC).

6. Conclusion

The collapse of DHFL resulted to a significant loss of depositor confidence. Many investors started demanding stricter regulatory oversight and transparency measures to safeguard their interests. Moving forward, the focus of the regulator shall have to be towards a holistic auditing framework so that the system of audit not only remains to the process but to the propriety. The aspect of separation of auditing business from consultancy services to ensure the independence of auditors needs to be actively contemplated by the regulators. Besides, the regulatory response needs to be self-propelling to initiate action on wrongdoing rather than to trigger after the disaster. Such, endeavour is likely to withstand the ploys of financial shenanigans in the financial system. By inculcating improved mechanism of control system, independent audit framework, strong regulatory oversight, greater transparency, the trust and confidence of the public can be reinstated which will enable the sector to uphold the momentum of expected growth. MA

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PRACTICAL APPROACH TO STOCKS AND RECEIVABLES AUDIT **BY CMAs**

Abstract

The Stocks and Receivables Audit of borrowers of working capital from Banks and Financial Institutions has assumed a great significance in view of its effectiveness in identifying potentially risky borrowers. The fact that Banks entrust this audit to Finance Professionals like CMAs indicates their confidence on these professionals who can curb the irregularities in working capital management of the borrowers. Stocks and Receivables Auditors have a major role to play in risk management of Banks and other Lending Institutions and in this article an effort has been made to bring out the various practical aspects of conducting the Stocks and Receivables Audit by Practicing CMAs.

Introduction:

tocks and Receivables Audit involves audit of inventories and book debts of borrowers who have availed working capital facilities from Banks and Financial Institutions. Even though this is not a new area to Practicing CMAs, it is imperative for us to understand the practical aspects of Stocks and Receivables audit by CMAs. In this article the scope of the audit, stages involved in the audit and manner of conducting the audit has been discussed in order to benefit the Practicing CMAs for smooth conduct of the audit.

Scope of Stocks and Receivables Audit:

Reserve Bank of India has mandated Banks and Financial Institutions to conduct Stock and Receivables audit of Borrowers with working capital exposure exceeding certain amount of limits which



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depends on the loan policy of individual Banks. The Stocks and Receivables Audit is conducted by Practicing CMAs / CAs who are empanelled by the Banks /Financial Institutions once in every 3 years. The scope of the audit comprises of:

- a. Physical verification of stocks as on the date of inspection of the unit
- b. Comparison of Qty and value of stocks as per books / stock records with Physical stocks
- c. Verification of value of stocks and book debts outstanding on the date of inspection so as to check whether the value covers the Working capital limit and that there is adequate drawing power.
- d. Checking the movement of stocks for the past 12 months prior to the date of inspection to see whether there are any obsolete / nonmoving stocks
- e. Verification as to whether the stocks taken into account for drawing power are all paid stocks and ensure that unpaid stocks or sundry creditors (trade)/ stocks meant for job work are excluded while arriving at the value of drawing power for stocks
- f. Verification that all the terms and conditions of latest sanction are complied with.
- Verification of the value of stocks and book

debts as at the end of the Financial Year with the value declared in the Audited financials of the borrowers.

- h. Ensuring that the stocks hypothecated to the lending Institutions are adequately insured
- i. Checking availability of adequate security coverage for the working capital limits and total limits enjoyed by the borrower.

Empanelment of CMAs for Stocks and Receivables Audit:

Banks and Financial Institutions release notifications in their website for empanelment of Stocks and Receivables Auditors. While most of the Nationalised banks and Financial Institutions empanel CMAs besides Chartered Accountants, very few Private Sector Banks empanel CMAs for Stock Audit assignments.

The Banks/ Financial Institutions have fixed criteria for selecting the CMA firms for empanelment. Generally, Firms with a sufficient track record of conducting Stocks and Receivables Audit are preferred for empanelment.

Allotment of Stock Audit:

Banks allot stock audit from the stock auditors' empanelment list at Regional/Zonal Offices of the banks. Allotment of stock audit will be done depending upon the location, experience and size of the Cost Accounting Firm. But banks like State Bank of India delegate the stock audit allotment tasks to the SME Branches in the particular zone. Cost Accountants have to be in constant touch with such branches/ RO/ZO so that they get due allotment of stock audits.

Stock Audit is not just physical verification and valuation of stocks:

The role of Stocks and Receivables Auditors is not limited merely to physical verification of stocks and checking of stock valuation. While physical verification of stocks and receivables and their valuation is a necessary requirement

The role of Stocks and Receivables Auditors is not limited merely to physical verification of stocks and checking of stock valuation for completing stock audit of borrowers, there are many other checks to be carried out by the Stock Auditors to ensure that the working capital limits sanctioned by the Banks are secured. Some of these are enumerated below:

Steps to be taken by stock auditors as soon as Allotment Letter for stock audit is received from Banks:

a. Carefully understanding the contents of a Stock Audit Allotment Letter:

Banks send allotment letters of stock audit by e-mail to the empanelled stock auditors. A typical stock audit letter of allotment from a Bank consists of the following details:

- i. Name of the Borrower account whose stocks are to be audited
- Name of the Branch, Branch Address, Mail ID and Name of the Branch Manager and his contact number.
- iii. Fees for the assignment –The Banks normally send a table of fees along with allotment letter. The fees for the stock audit assignments are based on the working capital exposure on the date of submission of the stock audit report.
- iv. Banks insist on a letter of acceptance, do's and don'ts and declaration of fidelity and secrecy on the firm's letterhead immediately after allotting the stock audit, to be sent within a week of allotment. Banks also advise the stock auditor to immediately commence the stock audit after contacting the relevant branch heads.

b. Seeking information and papers from the Branch Manager and the borrower:

As soon as Stock audit is allotted to the stock auditor, he has to immediately contact the Branch Manager of the concerned branch of the borrower. The Stock Auditors have to split the information required into those that can be given by the bank branch and those which can be given only by the borrower.

An illustrative list of stock audit deliverables by the Bank branch as well as by the borrowers is given below:

a. Branch deliverables:

i. Latest sanction letter issued by the Bank to the borrower:

The latest sanction letter for renewal or enhancement of credit facilities should be obtained from the branch which will contain all the details of the limits enjoyed by the borrower, rate of interest applicable, margin % and this is the starting point for commencing the stock audit.

Ad-hoc working capital limits:

Certain borrowers might have been sanctioned ad-hoc working capital limits for meeting some urgent working capital needs like executing specific work orders for which the existing working capital limits may be insufficient. The total exposure of working capital limits must include such ad-hoc sanctions also and Drawing Power should be arrived at considering the ad-hoc working capital limits.

Other Branch deliverables:

i. Branch Appraisal Note:

Prior to sanction of credit facilities, Banks prepare their internal appraisal note for submission to their sanctioning authorities based on the data, CMA workings, application, project report etc., gathered from the borrowers. Copy of the appraisal note should be obtained by the stock auditor which will enable the stock auditor to know about the background of the borrower, financial indicators of the borrower and branch comments on the financial indicators, key financial ratios as per audited financials and estimates projected by the borrowers, certain assumptions made by the borrowers which the branch has relied upon in assessing the

working capital limits, classification of the borrowal accounts etc.

Stock auditors should audit carefully accounts classified as SMA (Special Mention Accounts). The sub-categories will be SMA 1 indicating excess outstanding in Cash Credit (CC) limit from 30 to 60 days and SMA 2 indicating excess outstanding from 60 to 90 days. Beyond 90 days borrowers with any excess over the sanctioned limit are classified as Non Performing Asset (NPA) borrowers.

- ii. Copies of latest stock statements received by the branch from the borrower, clearly mentioning the date of receipt at the Branch.
- iii. Copies of Bank Statements for the last 12 months for both Cash Credit and Term loans.

Relevance of Terms and conditions of the sanction for stock audit:

Banks sanction the working capital limits subject to terms and conditions which form part of the sanction letter. The stock auditor should go through the terms of the sanction letter carefully, item by item, and confirm with the branch as to whether the terms of sanction have been complied with.

b) Borrower's Deliverables for Stock Audit:

- 1. Audited Balance Sheet for last completed Financial Year.
- 2. GST Returns for last year and current year (till the month of stock audit)
- 3. Monthwise Production, Purchases and Saleslast year and year under audit
- 4. Installed Capacity of the unit and Capacity utilization %.
- 5. Production, Purchases and Sales from the month of Stock Statement till date of stock audit inspection of the borrower unit.
- 6. Partywise and agewise Sundry Debtors and Sundry Creditors schedule.

Assessment of working capital requirements and Stock Auditor's role:

The stock auditors should study the working capital assessment done in the branch appraisal note at the time of sanction of credit facilities. The

assessment is done based on Turnover method or Tandon Committee's Second / First Method of Lending or under Cash Budget Method depending upon the type of the borrower.

Significance of Turnover routed through Cash Credit / OD Account in Stock Audit:

A stock auditor is required to report Turnover in the Cash Credit Account in the stock audit report. In banking parlance, turnover in the Cash Credit Account means the summation of all business credits in the account. The total business credit in the Cash Credit Account reflects the collections from the Sundry Debtors routed through the Cash Credit Account. Banks compare this total credit summation in the Cash Credit Account with the collections in the business as per books and work out the % of book turnover routed through the Cash Credit Account. The idea behind this computation is to ensure that the borrower puts all the moneys received from customers into the business and does not divert the moneys to non-productive assets/ investments.

Latest CERSAI Registration Search Report –

All lending institutions have to mandatorily register the charges with Central Registry for Securitisation of Assets where all the credit facilities availed by a particular borrower will be registered. Stock Auditors should report the latest date of search made in CERSAI registry in their stock audit report.

Charge Creation - Company Master Data and Index of Charges from MCA website in the case of borrower Companies:

In the case of Companies registered under Companies Act 2013, as soon as credit facilities are sanctioned and disbursed, charges have to create and registered with Registrar of Companies in Form-CHG-1 within 30 days of sanction and copy of the Fee paid challan alongwith Form CHG-1 filed with ROC has to be furnished to the Banks. Stock Auditors have to go to the MCA website and download the Company Master Data and Index of Charges to check whether charges have been created and registered with ROC favouring the Bank. Details of the charge creation should be mentioned in the stock audit report.

Physical Inspection of the unit by the stock auditor:

Stock Auditors are required to visit the factories, godowns and storage spaces in order to check physical availability of stocks of raw materials. work-in-progress and finished goods. A stock auditor should be able to judge the genuineness of the stocks stored in the premises by physically checking the large value stocks. Cost Accountants, on account of their technical acumen in addition to the accounting expertise, are best suited for this purpose. We have a broad view of the nature of the raw materials, work in progress and finished goods as we are trained by our Institute on the costing of various products and services, the processes, the technical parameters, inputs and their application. In fact, this is also the reason behind the Government's recent amendment to Section 142(2) of the Income tax Act 1961 by insertion of Section 142(2A), which has opened up new avenues for Cost Accountants in valuation of the inventories.

Whenever the Stock Auditors are unable to assess the quality of the items in stock, they can insist on verification by outside technical experts having knowledge about the products stored in the premises.

a. Verification of stock records and books of accounts:

i. Stock Records:

Stock auditors should insist that the borrowers have to maintain stock registers showing the stock inwards and outwards and closing balance apart from monthly stock statements. Stock auditors should compare the closing stock as per stock statement at the end of the financial year with the audited financials as on that date and report any variations

b. Physical Verification of Stocks vs. Stocks held as per stock records:

The Stock Auditors have to carry out the audit as on the date of inspection and verify the physical stocks. As we all are aware, the selection of items of raw material stocks are done based on the ABC Analysis by considering raw materials, WIP and Finished Goods of high value for verification in depth

as compared to low value stocks.

Value of Stocks on the date of stock audit:

Many Cost Accountants who undertake stock audit might have observed in the stock audit report formats of Banks that they have to mention about the method of valuation of stocks and as per the accounting standards, the value of inventories is at cost or realizable value whichever is less. The opening value of stocks in the beginning of the month for which stock statement is available can be added to purchase cost / cost of production for the period from the month of latest stock statement till date of stock audit less consumption or cost of sales to arrive at Value of Closing stock as on date of stock audit which is to be considered for working out the drawing power on the stock audit date.

Verification of Book debts:

The stock auditors should carefully go through the agewise and partywise debtor's schedule by comparing the schedule at the beginning of the year with the figures on the date of stock audit. The stock auditor has to identify the sister / associate concerns mentioned in the branch appraisal note and check whether debtors include such advances to sister concerns/associate concerns. If included.

he has to ensure that the transactions are in the ordinary course of business and there is no diversion of funds.

Conclusion:

Stock Audit is a very exhaustive exercise and stock auditors should take all precautions and checks in order to diagnose any early warning signs of default by the borrowers and report any adverse findings to the Banks.

Cost Accountants are best suited for undertaking stock audits on account of their exposure to products and processes which they have gained through the experience from study of Cost Accounting Records Rules 2019 and Cost Audit. CMAs should be encouraged to take up more stock audits which can give them spin-off benefits and preference in other areas of banking like TEV study , Revenue Audit of branches, Credit Audit and Concurrent Audit as compared to other professionals.

References:

- 1. ICMAI revised Guidance Note on Stocks and Receivables Audit
- RBI Master Circular dated 02.04.2024 on Prudential norms for income recognition and asset classification





Our Heartiest Congratulations to CMA (Dr.) HSM Bhatta who has received 3 Gold medals in the 70+age category at the International Athletics Championship held in the Sports complex, Pokhara, Nepal during 3-7, April 2025, hosted by SBKF. He has won 1st place Gold in 60M run, 1st Place Gold in 100M run, 1st place Gold in 200M run.

He was the former Chairman of Bengaluru Chapter.

We wish CMA (Dr.) HSM Bhatta the very best for all his future endeavors.

C&AG OF INDIA - A REGULATORY BODY OF INDIAN AUDITING SYSTEM ROLLS ON TO ACHIEVE VIKSIT BHARAT: 2047

Abstract

C&AG of India-one of the Bulwarks of the Democratic System of India through its Strategic Management Process rolls on to become a Global Leader in the public sector auditing and accounting. Through its Strategic Plan to achieve Viksit Bharat 2047, following the Global Accepted Standards/ Principles of Financial Disciplines, C&AG will distribute the benefits of Global expertise and become a stakeholder of India's advancement across various Goals as set in SDGs and development of India - 'Sabka Saath, Sabka Vikash'.



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Introduction:

947- The Year of Joy for the Indians as India became independent from the British rule. Thereafter, so many years have passed and we tried to make this democratic country developed and peaceful. India's advocacy for 'Vasudhaiva Kutumbakam' (The World is One Family) and it's role in amplifying the voice of the Global South demonstrated the nation's commitment to sustainable development, as evidenced during our G20 Presidency. The Vision of Government of India is to transform India into a developed nation by it's 100th year of Independence in 2047-Viksit Bharat@2047.

The Supreme Audit Institution (C&AG), one of the Bulwarks of the Democratic System of India, plays a vital role in shaping India into 'Developed India' by 2047 *i.e.* Viksit Bharat 2047. The C&AG of India being the Constitutional Authority¹ is responsible for accounting and auditing the public exchequer. Fiscal Federalism is the backbone of India's economic governance. Over the past decades, Government of India has laid a robust foundation for fiscal federalism through increase in the Gross Transfer of resources/ funds (*viz.* Rs.5.35 Lakh Crore in 2013-14 to Rs. 21.12 Lakh Crore in 2024-25)² to the States. The C&AG through its reports³ can suggest⁴/ guide the Government in shaping 'Developed India by 2047'.

Vision of C&AG:

Vision of the C&AG of India is to be a Global

¹ Article-148 of the Constitution of India: establishes C&AG, Article-149: deals with Duties & Powers of the C&AG (DPC Act, 1971 passed by the Parliament of India), Article-151: deals with the C&AG's Audit Reports.

² Source: RBI Report: State Finances: A Study of Budget of 2024-25).
³ The Accountability of the Executives (Council of Ministers) to the Indian Parliament/ Legislature is secured through C&AG's Audit Reports (*viz.* Report on Finance Accounts, Report on Appropriation Accounts, Report -Civil, Report-Revenue Receipt, and Report -Commercial).

⁴ Suggestions/ Recommendations in Audit Reports on important Tangible and Intangible resources (*viz.* Infrastructure Development, Natural Resources, Blue Economy, Arts & Cultures, Gender Equality, Poverty, Health & Education, Peace, Justice & Strong Institutions including the subjects as set forth in SDG).

COVER STORY

Leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

C&AG's Strategic Management Plan would help achieving this goal through its professional expertise. Through its Strategic Plan to achieve Viksit Bharat 2047, abiding by the Global Accepted Standards/ Principles of Financial Disciplines, how C&AG of India can achieve it's goal of becoming fast a **Global Leader** in the public sector auditing and accounting as may be shown in the following model, technically called the Strategic Management Model.

TABLE: 1 STRATEGIC MANAGEMENT MODEL

Description	Organisation/ Nation		
Develop Mission & Vision	Promote accountability, transparency and good governance through high quality auditing and accounting and provide independent and timely assurance to the Legislature, the Public and the Executive, that public funds are being collected and used effectively and efficiently. — Mission Strive to be a Global Leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance — Vision		
	Assess External Environment		
	Remote Environment: Political and Government, Economic forces, Social, Cultural, Demographic forces, Technological forces, Environmental forces <i>etc</i> .		
	International Environment:		
	Rival International Audit Institutions, Professional Challenges at National and International Level, Development and Upgradation of Technical skills including IT Skills <i>etc</i> .		
	Operating Environment:		
Assess External&	Audit and Accounting Resources, Development of Human Resources, Upgradation of Knowledge & Skills, Application of latest information technology (<i>viz.</i> OIOS, Artificial Intelligence, Internet of Things <i>etc.</i>) in auditing& accounting.		
Internal Environment	Prepare External Factors Evaluation Matrix.		
Liivii oliilielit	Assess Internal Environment		
	SWOT analysis (Financial, Human and Physical resources)		
	S-Strength (Build and Enhance)		
	W-Weaknesses (Resolve and Reduce)		
	O-Opportunities (Exploit and Expand)		
	T-Threats (Thwart and Avoid)		
	Analyze the options/ alternatives by matching its resources with external environment.		
	• Identify the most desired options - in the light of C&AG's Mission.		
Develop Strategic	Objectives should be suitably set in alignment with the Nation's and Global Goals as well as matching with the organization's mission, vision and goals.		
objectives and short term strategies	 It should be acceptable, flexible, measurable, motivating, understandable, and achievable. Follow up of highest Professional and Ethical Standards. 		

Generate, Evaluate & Choose Strategies	 Strategies should be generated at Corporate Level, Middle Level and Functional Level. This is applicable for State/ Central/ Overseas Audit Offices and Training Institutes also. Selection of strategy requires top management's decision, Commitment, Substantial resources. It affects long-term prosperity. Analysis of strategies of competitors including their SWOT analysis. Analysis of Best Strategies/ Practices.
Implement Strategies	 It requires personal discipline, commitment and sacrifice. Interpersonal skills of officials/ managers are critical during implementation. Formation of an efficient Management team (Corporate Level, Branch/ State Level, Middle Level and Lower Level). Every State Office should build strategic objectives around their focus areas. Shaping up of Organization's culture and leadership.
	 Evaluation of performances of KPIs. Capacity Building up of officials. Managers/ Officials need to know when particular strategy is not working. Regular monitoring and evaluation or a combination of both, monitoring of activities/ performances/ works. Comparison of performances with that of the competitors/ United Nations. Contrast and compare the performances keeping in mind the Core values of C&AG⁵ and National Goals. Peer Reviews.

Resources of C&AG of India:

In the Global community of 195 Supreme Audit Institutions (SAI), the institution of the C&AG of India, is one of the oldest SAIs having a rich history of more than 160 years. The C&AG of India is a highly visible figure internationally not only as an active member of the International Organisation of Supreme Audit Institutions (INTOSAI) but also as a professional body of public sector auditors for auditing the United Nations and its agencies. C&AG of India has State Level Offices (viz. Accounts & Entitlement Offices and Audit Offices) spread over India, for rendering services to the Public. Furthermore, it has Central Audit Offices⁶ in different states of India. It has set up different regional training institutes for capacity building of its officials. It has a National Academy of Audit & Accounts at Shimla. C&AG has two International Audit Training Institutes and a specialized Centre for Data Management and Analytics. C&AG have its overseas Audit Offices at Washington, London, Kualalmpur, Rome and Geneva. It has a dedicated International Audit Wing in India.

Broadly, the international engagements of C&AG of India are of two kinds

• Providing mutual support⁷ to SAIs and fostering exchange of ideas, knowledge and experiences with peers through bilateral and multilateral cooperation with SAIs, regional and international associations of SAIs like ASOSAI and INTOSAI, as well as multilateral groups like BRICS, SCO,

⁵ Institutional Values: Maintaining professional standards, Objective and balanced approach, independence, transparency and People Values: Ethical behaviour, integrity, professional competence, fairness and social awareness.

⁶ Defense Audit Offices, Railway Audit Offices, Other Ministry Audit Offices.

⁷ **C&AG** of India engages with International auditing organisations and associations to maintain its capability in contemporary audit practices and actively seeks to collaborate with peer associations, professional bodies and SAIs for information exchange and peer to peer learning.C&AG of India actively participates in other key INTOSAI organs, like the ASOSAI and the INTOSAI Development Initiative (IDI).

SAI20, GALF etc.

O Promoting good g o v e r n a n c e 8 internationally, as external auditors of the United Nations and its agencies, and as members

of the UN Panel of External Auditors.

At present the C&AG of India is appointed as an external auditor of five specialised agencies⁹ of the United Nations. C&AG of India is a long standing member of the prestigious UN Panel of External Auditors, and till recently, also held the position as the Vice Chair of the Panel.

Conclusion:

Like every Individual, an Organisation's or a Nation's vital role is to set up goal/ objective carefully and strive to achieve this objective through its best and strongest plans and policies.

C&AG of India is a long standing member of the prestigious UN Panel of **External Auditors**

The C&AG of India had seen¹⁰ that 'when professionals falter, it causes a domino effect across the Globe. It was also felt that in India too, there were cases where the highest professional and ethical standards, if truly

followed, would have prevented the collapse of companies like Satyam and ILFS'.

In the light of this statement, achieving it's vision through adoption of perfect strategic plan and policy and implementation thereof by utilizing its huge professional resources of Global Standards, C&AG of India thus, will become a stakeholder of India's advancement across various Goals as set in Sustainable Development Goals (SDGs) and Development of India- 'SABKA SAATH, SABKA VIKASH'. MA

References:

- 1. Website of C&AG of India
- Website of NITI Aayog of India
- Website of United Nations India
- 4. Website of United Nations Development Programme
- 5. The Indian Express, New Delhi







CMA Bankim Kumar Pradhan

Corporate Corner

Congratulations!!!

Our Heartiest Congratulations to CMA Bankim Kumar Pradhan on his elevation as Executive Director (Finance) at Design Complex of Hindustan Aeronautics Limited (HAL) w.e.f. 1st April 2025.

CMA Pradhan possess over 33 years of experience in different fields of accounts and finance. He has a proven track record of success as Head of the finance in manufacturing divisions of HAL at Bengaluru and Nasik.

Prior to joining HAL in December 2007 he had served in Telecommunications Consultants India Ltd. (TCIL) New Delhi from 1991 to 2007 in various capacities and in different geographical locations including Ghana and Togo. He started his career in TCIL as an Industrial trainee with recommendation from ICMAI while pursuing final course at the Institute.

We wish CMA Bankim Kumar Pradhan the very best for all his future endeavors.

⁸ C&AG of India, through its leadership in the INTOSAI Committee on Knowledge Sharing and Knowledge Services (KSC), the INTOSAI Working Group on IT Audit (WGITA) and the Compliance Audit Subcommittee (CAS), has a significant role in contributing towards global auditing practices. It has bilateral cooperation agreements with twenty-nine SAIs across Asia, Africa and Europe. It is an active member of multilateral forums like the BRICS, SAI20, SCO and the Commonwealth Auditors General Forum.

⁹ The World Health Organisation (WHO) and its five hosted entities, The Food and Agriculture Organisation (FAO), The International Labour Organisation (ILO), The Organisation for Prevention of Chemical Weapons (OPCW) and The International Agency for Atomic Energy (IAEA).

¹⁰ The Indian Express, New Delhi, 15th March 2024.

AUDIT IN INDIA: PAST AND PRESENT

Abstract

Audit is not confined to checking financial figures and certifying them. It is basically to prepare a report card of an organisation by rigorous examination and produce the same before the stakeholders that help them in making decision. All most all the organisations are covered by audit under different laws in India and the time has come to amend those laws to share the responsibility of audit to other sister professionals to make it more competitive, meaningful and fruitful to the whole society.



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Introduction

udit is the examination of entries in books of accounts before authentication of financial reports of an organisation- this is what audit means to a common man. But the academicians defines audit as an independent examination of financial information of an entity to express an opinion thereon. The word independent is important here because without independency the audit Report may be compromised and the very purpose of audit may be lost to its all stakeholders.

Broadly, we can say that audit is the process of check, inspection, examination, scrutiny, verification, review of books of accounts and other ancillary documents; before an auditor make an opinion and report it to the targeted stakeholders.

Audit process is not same today as it was a century ago. The main reason behind it is the mode of change in the money transfer and the second important thing is documentation. Earlier the records of transactions are kept in black and white form and so is the money transfer which was mostly done by transfer of hard cash. With the development of science and technology the digital records has replaced the printed paper based documents. The hard cash transfer is transformed into digital transfer. Money transfer and its record keeping in physical mode is now a history in big organisations and it is going to become obsolete in the coming years.

AUDIT PROCESS EVOLUTION DIGITAL PAYMENTS:

Auditor examine whether the targeted payee really involved in the activities for which payment has been made.

PAYMENTS BY BANKING CHEQUES, BANK DRAFT:

Auditor need to examine whether the payee was a real party or a proxy.

DAYS WHEN PAYMENTS WERE MADE BY HARD CASH:

Vouching is the main audit method applied to find whether the actual payment was made.

The main objectives of the audit are

- 1. Detecting errors
- 2. Preventing fraud
- 3. Ensure Regulatory compliances
- 4. Minimise Financial risk
- 5. Improve Investors confidence
- 6. Improve Financial reporting

An auditor plays different role in various situations comparable with other profession for the benefit of the society.

WATCH-DOG

A watchdog alerts his master as soon as it sniffs something wrong. Same way the auditor can report any matter doubtful and unlawful before it happens to be big fraud or scandal.

DOCTOR

Like the doctor who diagnose the reason of illness in our body an auditor can diagnose the slippage of taxes in our system to help the Government and its authorities in collection of revenue.

HUNTER

As the animals are often scare of a hunter and do not cross its boundary the fraudsters keep themselves within limit in the scare of being caught.

POLICEMAN

The duty of the policemen is to catch the anti-social red-handed. The auditor has the capability to catch the person who miss-appropriates the funds.

GUIDE

A guide always takes care of his subordinates and alerts them what to do and what not to do that may cause untoward incident. The auditor plays similar role for his/her clients to minimise risk and error.

LEGAL FRAMEWORK OF AUDIT IN INDIA

(a) Statutory Audit of the Companies

All the companies are compulsorily get its account audited by an Auditor or an Audit firm appointed under section 139 of the Companies Act 2013. Chapter X covering section 139 to 148 of the Companies Act 2013 has made elaborate arrangement of conducting statutory audit of the companies.

(b) Income Tax Audit

A taxpayer with an annual turnover or gross business receipts exceeds Rs.1 Cr and if the taxpayer is in profession whose gross receipts exceeds Rs.50 lacs need to conduct Income Tax Audit under section 44AB of the Income Tax Act. A huge relief is given to the taxpayer whose receipts/payments in cash do not exceed 5% of the total receipts/payments. They

need not require to conduct tax audit if their turnover / receipts below Rs.10 Cr.

(c) Goods and Service Tax Audit

GST audit requirement under section 35(5) of the CGST Act has been removed from 1st August 2021. GST audit by Tax Authorities under section 65 and 66 of the CGST Act 2017 by way of general or specific order may require for conducting an audit as may be prescribed.

(d) Internal Audit

Section 138 of the Companies Act 2013, contains provisions regarding internal audit. All the listed companies in the Stock Exchanges are covered under this audit. Public Companies which hit any of the four criteria, namely (a) turnover Rs.200 Cr, (b) paid up share capital Rs.50 Cr,(c) outstanding loans and borrowings exceeding Rs.100 Cr, (d) Deposits exceeding Rs.25 Cr comes under the purview of the internal audit. Private Companies which has annual turnover of Rs.200 Cr or more or outstanding loans and borrowings exceeding Rs.100 Cr need to conduct this audit.

(e) Cost Audit

Section 148 of the Companies Act 2013, covers the provision with respect to cost audit. It is applicable in certain class of companies - like Sugar, Fertilizers, Pharmaceuticals, etc.

(f) CAG Audit

In case of Government Companies the Comptroller and Auditor General (CAG) is the independent Authority to appoint and conduct audit under various provisions of the section 139 of the Companies Act 2013.

(g) Limited Liability Partnership Audit

Provisions are made to conduct audit of LLP is found in Rule 24 of the Limited Liability Partnership 2009. LLP with an annual turnover not exceeding Rs. 40 lacs or the Partners Contribution does not exceed Rs. 25 lacs are exempted from such audit.

(h) Audit of Co-operative Societies

The audit of the Co-operative Society is conducted as per the provisions of the section 17 of the Co-operative Society Act, 1912.

(i) Secretarial Audit

All the listed companies and certain class of companies need to audit by the person who is a practicing Company Secretary to ensure that the company meets its legal and procedural compliances as per provision of section 204 of the Companies Act, 2013.

Audit is important to manage the taxation system and control the tax leakage. But it can be a curse to society if it does meet the standard for which it is known. People still remember the Satyam scam and 2G scam when in former case the auditors failed ethically in performing their duty and in the second instant the auditors override. It is time for the Government to open the audit area to the ICMAI and ICSI and make it competitive.

Role of CMA in the arena of Audit

CMA professionals have the edge over the other professionals as they have expertise knowledge in the fields of Cost structure and Cost control, financial analysis, Cost management, Risk management, Operational management and internal control so they can play pivotal role in Cost audit, Due Diligence audit, Risk based internal audit, Stock audit.

References:

- 1. National CMA Practitioners Convention 2016, Role of CMA- Companies Act, 2013 by B.B. Goyal, Former Additional Chief Adviser Cost, Ministry of Finance, Government of India. [link https://icmai. in/upload/CAASB/NCPC-CMA-Companies Act]
- CMA's role in Due Diligence Audit, RR Academy. [link https://www,rracademy.in/the-role of-cma-in-due-diligence.]

Western Region Chapters Meet, 2025

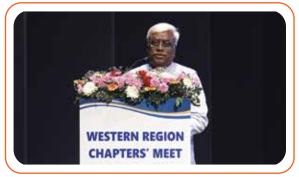
he Regional Council & Chapters Coordination Committee had organized Western Region Chapters Meet at Yashvantrao Chavan Center, Mumbai on 22nd February 2025. The motto behind conducting the Meet is to interact with the Chapters representative, resolve the issues being faced by them & to implement the implementable ideas shared by them. CMA (Dr.) K Ch A V S N Murthy, Chairman, Regional Council & Chapters Co ordination Committee and Council Member along with dignitaries from Council of the Institute, Regional Council, Chapters & the Institute Officials attended the Meet.

Glimpses of the Meet



CMA (Dr.) K Ch A V S N Murthy, Chairman, Regional Council & Chapters Coordination committee and Council Member inaugurating the Western Region Chapters Meet, 2025 at Yasvantrao Chavan Centre, Mumbai on 22nd February 2025.

From left to right - CMA Chaitanya Mohrir, Treasurer, WIRC, CMA Nanty Shah, Secretary, WIRC, CMA Arindam Goswami, Chairman, WIRC, CMA G V Subramanyam, Co-opted Member, RC&CCC, CMA Neeraj D Joshi, Council Member, CMA Chittaranjan Chattopadhyay, Council Member, CMA Ashish P Thatte, Council Member, CMA (Dr.) K Ch A V S N Murthy, Chairman, RC&CCC and Council Member, CMA Mihir Vyas, Vice Chairman, WIRC and CMA C.L. Bansal, Co-opted Member, RC&CCC.



CMA (Dr.) K Ch A V S N Murthy, Chairman, Regional Council & Chapters Co ordination Committee and Council Member addressing the delegates at the Western Region Chapters Meet, 2025 at Mumbai on 22nd February 2025

IMPACT OF IBBI ON INSOLVENCY REFORMS IN INDIA: A STUDY

Abstract

India's Insolvency and Bankruptcy Code introduced in 2016 replaced outdated laws with a streamlined time-bound process for resolving insolvency quickly nationwide. Insolvency and Bankruptcy Board of India (IBBI) regulated it thereby enhancing transparency fairly quickly through Corporate Insolvency Resolution Process (CIRP) with strengthened oversight of insolvency professionals. Notable progress has been made but delays and resource constraints persist highlighting need for reforms continuously amidst myriad complexities and constraints.

INTRODUCTION

ndia's insolvency framework before 2016 was quite fragmented and woefully outdated resulting in sluggish resolutions and pretty low investor confidence. IBC established unified legal framework with strict timelines promoting speed transparency and fairness quickly under new bankruptcy regime effectively nationwide. Reform empowered creditors and recovery rates improved significantly fostering financial discipline under new stringent regulations pretty quickly.

Purpose and scope of IBBI

IBBI was established rather quietly in 2016 and now oversees insolvency professionals with considerable zeal setting various standards for transparency. This study evaluates effectiveness quite thoroughly and identifies various significant challenges and proposes measures for strengthening India's insolvency framework.



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The Institutional frame work

IBBI was set up in 2016 and oversees insolvency professionals rigorously while setting new standards for transparency under IBC. This study evaluates effectiveness pretty thoroughly and identifies major challenges faced by India's somewhat dysfunctional insolvency regime now.

LITERATURE REVIEW

- 1. Ghosh & Mukherjee (2017), criticized past laws like SICA for delayed resolutions and rising NPAs. The IBC (2016) was seen as a major reform, offering a structured, time-bound insolvency framework.
- 2. Sharma & Sharma (2018), highlighted the role of IBBI in regulating insolvency professionals, ensuring transparency, and building trust in the insolvency system.
- 3. Sinha &Verma (2018), discussed the role of insolvency professionals in CIRPs, noting that their effectiveness was hindered by lack of training and support.
- **4. Gupta & Mehta (2020)**, analyzed CIRP outcomes, showing faster resolutions but flagged issues like valuation disagreements and weak coordination among stakeholders.

5. Rajput & Menon (2023), reviewed the IBC post-COVID-19, acknowledging progress but calling for addressing judicial delays, enhancing digital tools, and improving training for insolvency professionals.

Research Design

A quantitative approach evaluates IBC's performance from 2016 and 2024 utilizing key indicators like resolution timelines and NPA reduction rates rapidly.

Objectives

- 1. Assess IBBI's role and effectiveness in insolvency resolution.
- 2. Identify key challenges in its implementation.
- 3. Analyse its impact on NPAs and suggest improvements.

Source of Data and Time Frame

The study uses secondary data from IBBI reports, NCLT case databases, RBI reports, Ministry of Finance reports, and industry surveys. The analysis covers the period from 2016 to 2024.

Key Variables and Indicators

- 1. Resolved CIRPs over the years
- 2. Timeliness of resolutions
- 3. Average resolution time
- 4. Financial recovery for creditors
- 5. Recovery rates
- 6. NPA reduction
- 7. India's insolvency resolution ranking
- 8. Awareness of IBC among stakeholders

Analytical Tools

- Descriptive Statistics
- Graphical Analysis
- Percentage Analysis

Limitations of the Study

- Limited data for certain years
- Causality cannot be established
- No sector-specific analysis
- Study based on publicly available secondary data

DATA ANALYSIS AND INTERPRETATION

Table: 1 Year-wise Breakdown of Resolved CIRPs (2016–2024)

Year	Number of Resolved CIRPs	Admitted Claims (₹ Cr)	Liquidation Value (₹ Cr)	Realisation (₹ Cr)	Recovery Rate (%)
2016–17	0	0	0	0	0
2017–18	19	8,198	1,894	4,458	54
2018–19	75	2,06,807	48,032	1,11,441	54
2019–20	132	1,64,568	25,193	41,825	25
2020–21	119	1,27,200	18,320	27,551	22
2021–22	144	2,10,934	36,294	47,522	23
2022–23	189	1,54,285	43,361	55,449	36
2023–24	269	1,74,291	34,559	47,653	27
Total	947	10,46,283	2,07,653	3,25,901	32

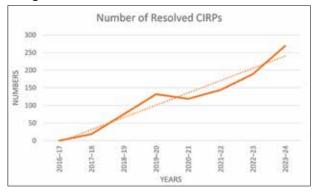
Source: (Insolvency and Bankruptcy Board of India (IBBI) Annual Reports and Updates)

Figure 1



Admitted claims skyrocketed from 2016–17 onwards peaking at a whopping ₹2 lakh crore in 2018–19 before dipping subsequently by 2023–24. Realisation values rose sharply in high-value cases and outperformed liquidation values demonstrating IBC's effectiveness quitefavourably in asset recovery and resolution.

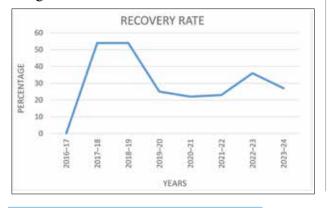
Figure 2



Interpretation

Since 2016–17 number of resolved CIRPs rose steadily peaking at over 270 somehow by 2023–24 rather quickly. Growing confidence in IBC's capacity for resolving corporate debt efficiently was reflected as trend regained momentum after a dip in 2020–21.

Figure 3



Interpretation

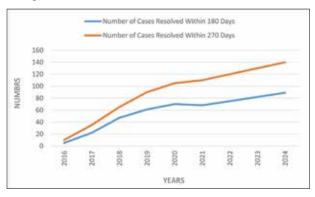
Recovery rates under IBC fluctuated wildly peaking at 54% in 2017-19 then nosediving sharply to a meagre 22% in 2020-21 amidst COVID-19 chaos. Rates bounced back sharply 36% in 2022–23 then plummeted suddenly 27% next year amidst a jumbled mix of high-value and lowball cases. Average recovery rate hovers stubbornly around thirty-two percent over an eight-year span indicating progress yet necessitating further drastic reforms really.

Table: 2 Timeliness of Insolvency Resolutions (2016–2024)

Year	Number of Cases Resolved Within 180 Days	Number of Cases Resolved Within 270 Days
2016	5	10
2017	22	35
2018	47	65
2019	61	90
2020	70	105
2021	68	110
2022	75	120
2023	82	130
2024	89	140

Source: (National Company Law Tribunal (NCLT) Case Statistics and Reports)

Figure 4



Interpretation

Number of insolvency cases resolved within 180 days rose sharply from 5 in 2016 and stood at 89 by 2024 meanwhile cases within 270 days jumped

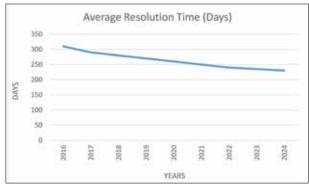
from 10 to 140. Growing confidence in IBC and markedly better early-stage protocols underscore this trend indicating significantly improved administrative efficiency quietly.

Table: 3 Average Resolution Time for Insolvency Cases (2016–2024)

Year	Average Resolution Time (Days)
2016	310
2017	290
2018	280
2019	270
2020	260
2021	250
2022	240
2023	235
2024	230

Source: (Insolvency and Bankruptcy Board of India (IBBI) CIRP Process Data)

Figure 5



Interpretation

Average resolution time under IBC fell drastically from 310 days in 2016 down 80 days sharply by 2024 settling at 230 days. Steady progress manifests markedly through revamped procedures and policies and greatly enhanced operational efficiency boosting confidence among stakeholders.

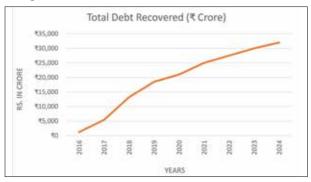
Table: 4 Financial Recovery for Creditors through IBC (2016–2024)

Year	Total Debt Recovered (₹ Crore)	
2016	₹ 1,200	
2017	₹ 5,400	
2018	₹ 13,200	

2019	₹ 18,500
2020	₹ 21,000
2021	₹ 25,000
2022	₹ 27,500
2023	₹ 30,000
2024	₹ 32,000

Source: (Ministry of Corporate Affairs (MCA) IBC Financial Reports)

Figure 6



Interpretation

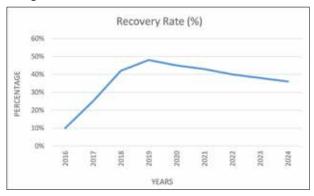
Debt recovery under IBC skyrocketed by a whopping 26 times to ₹32,000 crore from ₹1,200 crore in just a few years by 2024. Significant growth happened mostly between early and middle years driven largely by stricter rules better enforcement mechanisms and emerging digital tools.

Table: 5 Recovery Rate for Creditors under IBC (2016–2024)

Year	Recovery Rate (%)
2016	10%
2017	25%
2018	42%
2019	48%
2020	45%
2021	43%
2022	40%
2023	38%
2024	36%

Source: (Insolvency and Bankruptcy Board of India (IBBI) Recovery Statistics)

Figure 7



Interpretation

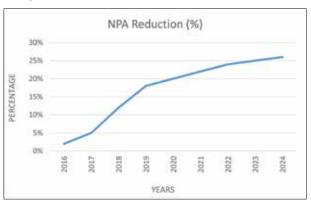
Recovery rates under IBC shot up sharply from 10% to 48% but subsequently slumped rather dramatically to 36% by around 2024. Total debt recovered grew substantially meanwhile recovery percentage dwindled likely owing to a dearth of high-value cases and increasingly complex ones. Decline highlights need for sweeping reforms alongside rather innovative solutions quietly emerging nowadays.

Table: 6 Reduction in NPAs Post-IBC Implementation (2016–2024)

Year	NPA Reduction (%)
2016	2%
2017	5%
2018	12%
2019	18%
2020	20%
2021	22%
2022	24%
2023	25%
2024	26%

Source: (Reserve Bank of India (RBI) Financial Stability and NPA Reports)

Figure 8



Interpretation

NPA reduction under the IBC rose from 2% to 26%, driven by improved asset quality, effective recovery, and proactive resolution of stressed assets. Progress reflects stronger banking health and greater economic stability now.

Table: 7 India's Ranking in Resolving Insolvency (2016–2024)

Year	Rank
2016	136
2017	103
2018	108
2019	52
2020	52
2021	Data not available
2022	Data not available
2023	Data not available
2024	Data not available

Source: World Bank – Doing Business Reports

Interpretation

India's global insolvency ranking shot up remarkably from 136th in 2016 and landed at 52nd in 2019 driven by IBC's structured time-bound process. Ranking remained stagnant in 2020 but post-2021 data has gone dark owing largely to shifts in World Bank reporting protocols suddenly. Strong early reform impact resonates through this but recent progress remains nebulous.

Table: 8 Awareness Level of IBC among Stakeholders

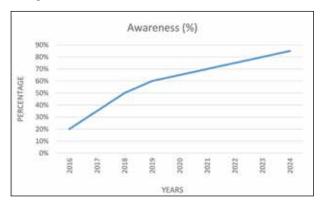
Year	Awareness Level of IBC Among Stakeholders	Awareness (%)
2016	Low – Initial Phase of Implementation	20%
2017	Growing Interest Post- Implementation	35%
2018	Increased Media and Legal Focus	50%
2019	Corporate and Professional Engagement	60%
2020	Pandemic-Affected, but Rising Awareness	65%

COVER STORY

2021	Strong Institutional Familiarity	70%
2022	MSME and Public Stakeholder Inclusion	75%
2023	General Public Awareness Improving	80%
2024	High Among Corporates and Legal Experts	85%

Source: (Insolvency and Bankruptcy Board of India (IBBI) Surveys and Stakeholder Consultations)

Figure 9



Interpretation

Awareness of Insolvency and Bankruptcy Code in India rose sharply from twenty percent back in two thousand sixteen to eighty-five percent. It shot up fairly quickly in 2017 reaching thirty five percent and then skyrocketed in 2018 hitting fifty percent amidst frenzied media chatter and heated legal wrangling. Pandemic awareness

shot up pretty drastically in 2020 reaching 65% and then growth continued upward reaching a peak at 70% in 2021. Awareness hit eighty percent by 2023 and surged pretty quickly to eighty-five percent in 2024 highlighting IBC's growing clout as regulatory tool.

Reform empowered creditors and recovery rates improved significantly fostering financial discipline under new stringent regulations pretty quickly

CONCLUSION

Insolvency resolution in India has improved markedly since 2016 with introduction of Insolvency and Bankruptcy Code yielding higher case resolutions and financial recoveries. NPAs have dwindled somewhat though progress slowed markedly of late. India's global ranking in insolvency resolution has improved markedly but awareness remains woefully low among SMEs and smaller creditors still. Future success depends on addressing delays, improving outreach to smaller stakeholders, and refining the system.

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TECHNOLOGY TRANSFORMING THE AUDIT PROCESS

Abstract

The auditing profession is undergoing a significant transformation in the digital age, driven by rapid technological advancements. This article explores the impact of emerging technologies such as artificial intelligence (AI), data analytics, blockchain, and automation on auditing practices. It delves into how these technologies enhance audit quality, efficiency, and accuracy while also presenting challenges related to cybersecurity, data privacy, and the evolving role of auditors. Through a comprehensive analysis, the article highlights the necessity for auditors to adapt to these changes by acquiring new skills and embracing innovative tools. The give example of few such tools discussion also emphasizes the importance of balancing technological integration with professional judgment to maintain the integrity and reliability of audits. Ultimately, the article underscores that embracing technology is not merely an option but a requisite for auditors to remain relevant and effective in the digital era.



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Introduction:

he advent of the digital age has revolutionized various industries, and the field of auditing is no exception. Traditional auditing methods, characterized by manual processes and extensive paperwork, are being supplanted by technology-driven approaches that offer enhanced efficiency and effectiveness. This transformation is propelled by the integration of advanced technologies such as artificial intelligence (AI), data analytics, blockchain, and automation into auditing practices. These innovations have not only redefined the execution of audits but have also re-shaped the roles and responsibilities of auditors. This article provides an in-depth exploration of how these technological advancements are influencing the auditing profession, the benefits and challenges they present, and the strategies auditors can employ to adapt to this evolving landscape.

Technological Advancements Transforming Auditing:

1. Artificial Intelligence (AI) and Machine Learning (ML):

AI and machine learning have introduced transformative changes in auditing by automating complex tasks and enhancing decision-making processes. These technologies can swiftly analyze vast datasets, identify anomalies, and detect patterns that may indicate fraudulent activities or financial discrepancies. For instance, AI algorithms can process millions of transactions in real-time, flagging unusual patterns for further investigation, thereby increasing the efficiency and accuracy of audits.

2. Data Analytics:

The utilization of data analytics in auditing enables auditors to perform more comprehensive assessments by analyzing entire datasets (Universe) rather than relying on sample testing. This approach provides deeper insights into financial records, enhances risk assessment, and improves the detection of irregularities. Advanced data analytics tools allow auditors to visualize trends, correlations, and outliers, facilitating more informed decision-making.

3. Blockchain Technology:

Blockchain offers a decentralized and immutable ledger system that enhances transparency and security in financial transactions. For auditors, blockchain technology simplifies the verification of transactions, reduces the risk of fraud, and ensures data integrity. By providing a single source of truth, blockchain minimizes the need for extensive reconciliations and confirmations, streamlining the audit

4. Automation and Robotics:

Robotic Process Automation (RPA) automates repetitive

and rule-based tasks, such as data entry and reconciliation, allowing auditors to focus on more strategic activities. Automation reduces human error, increases efficiency, and accelerates the audit timeline. For example, RPA can automatically extract and process financial data from various sources, ensuring consistency and accuracy in audit procedures.

5. Cloud Computing:

Cloud computing facilitates real-time collaboration and data sharing among audit teams, regardless of their geographical locations. It provides scalable resources and storage solutions, enabling auditors to handle large datasets efficiently. Cloud-based platforms also enhance data security through advanced encryption and access controls, ensuring the confidentiality and integrity of audit information.

Benefits of Technological Integration in Auditing

1. Enhanced Audit Quality:

The integration of technology into auditing processes leads to more accurate and reliable audits. Advanced tools enable comprehensive data analysis, improving the identification of risks and anomalies. This results in higher-quality audits that provide greater assurance to stakeholders.

2. Increased Efficiency:

Automation and AI reduce the time required for routine tasks, allowing auditors to allocate more time to critical analysis and strategic decision-making. This increased efficiency leads to cost savings and the ability to conduct more frequent audits, thereby enhancing continuous monitoring.

3. Improved Risk Assessment:

Data analytics and AI facilitate more effective risk assessment by analyzing entire datasets and identifying patterns that may indicate potential issues. This proactive approach enables auditors to address risks before they materialize into significant problems.

4. Enhanced Fraud Detection:

Technological tools can detect anomalies and unusual patterns that may signify fraudulent activities. For instance, AI algorithms can analyze transaction data to identify inconsistencies, thereby enhancing the auditor's ability to detect and prevent fraud.

5. Real-Time Monitoring:

With the advent of continuous auditing facilitated by technology, auditors can monitor financial transactions and controls in real-time. This immediate oversight allows for timely identification and correction of issues, reducing the risk of material misstatements.

Challenges in the Digital Transformation of Auditing

1. Cybersecurity Risks:

As auditors increasingly rely on digital tools and

platforms, they become more susceptible to cybersecurity threats. Protecting sensitive financial data from breaches and cyber-attacks is paramount. Auditors must implement robust security measures and stay abreast of evolving threats to safeguard information.

2. Data Privacy Concerns:

The collection and analysis of large volumes of data raise concerns about privacy and compliance with regulations such as the General Data Protection Regulation (GDPR). Auditors must ensure that their data handling practices comply with legal requirements to protect individual and organizational privacy.

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These references provide a comprehensive overview of the integration of artificial intelligence and blockchain technology in auditing, highlighting both the opportunities and challenges presented by these advancements.

UNDERSTANDING THE ROLE AND IMPACT OF THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Abstract

The Insolvency and Bankruptcy Board of India (IBBI) has turned out to be a significant regulatory body in the Indian financial market ever since its initiation in 2016. Obligated by the central government to regulate the insolvency and bankruptcy procedures, IBBI has been at the forefront of resolving struggling companies with streamlined resolution processes under Corporate Insolvency Resolution Process (CIRP) and liquidation procedures. This article discusses the holistic obligations, tasks, and effects of IBBI, its importance in regulating insolvency professionals (IP) and valuations in different sectors Securities or Financial Assets (SFA), Land & Building, and Plant & Machinery, and its role as the acting authority for Registered Valuers Organisations (RVOs) and Registered Valuers (RVs).

INTRODUCTION

he Insolvency and Bankruptcy Board of India (IBBI) was established in 2016 as part of a significant regulatory overhaul aimed at addressing the insolvency and bankruptcy framework in India. Before IBBI's formation, many companies struggling to revive themselves lacked a proper route for resolution. The central government entrusted IBBI with the responsibility to help these companies either restructure through resolution processes or proceed with liquidation if necessary.

The Insolvency and Bankruptcy Board of India (IBBI) has emerged as a cornerstone of India's financial regulatory framework since its establishment in 2016. Tasked with overseeing insolvency and bankruptcy



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processes, IBBI has played a transformative role in reviving distressed companies, ensuring creditor protection, and fostering economic stability. This article explores the multifaceted responsibilities of IBBI, its impact on the financial ecosystem, and its significance in regulating insolvency professionals and valuations across sectors.

IBBI has also been entrusted with the critical task of regulating and standardizing valuations across various asset classes. This responsibility stems from the Companies (Registered Valuers and Valuation) Rules, 2017, which designate IBBI as the authority to oversee valuation practices in India.

IBBI'S MANDATE AND FUNCTIONS

IBBI's core responsibility is to administer and enforce the Insolvency and Bankruptcy Code (IBC) 2016, which prescribes the processes regarding resolution and liquidation. The code acts as a master manual for handling insolvency proceedings, with a systematic approach to revive stressed companies or wind them up in a structured manner.

IBBI acts as the topmost regulatory organization under the Ministry of Corporate Affairs. Its main functions are:

1. Regulation of Insolvency Professionals (IPs): IBBI monitors the registration, training, and performance of insolvency professionals administering resolution processes.

It makes sure that IPs follow ethical guidelines and remain transparent in their functioning.

2. Supervision of Insolvency Professional Agencies (IPAs):

IPAs are self-regulatory organizations for insolvency professionals. IBBI oversees their operation to verify compliance with the IBC.

3. Regulation of Information Utilities (IUs):

IBBI regulates IUs, which hold and authenticate financial data vital in insolvency proceedings.

4. Development of Valuation Standards:

IBBI is responsible for establishing standard valuation practices across sectors so that asset valuations are consistent and reliable. The three major asset classes it oversees are:

Securities or Financial Assets (SFA):

- ▲ This category includes the valuation of shares, bonds, debentures, and other financial instruments.
- ▲ IBBI ensures that valuations in this domain are conducted with precision, adhering to globally recognized standards to maintain transparency and reliability.

Land & Building (L&B):

- ▲ Valuation in this category involves real estate assets, including commercial, residential, and industrial properties.
- ▲ IBBI's role includes ensuring that valuers use consistent methodologies to determine fair market values, which are crucial for insolvency proceedings and financial reporting.

Plant & Machinery (P&M):

- This involves the valuation of industrial equipment, machinery, and other tangible assets.
- ▲ IBBI regulates the valuation process to ensure accuracy, which is vital for asset liquidation or restructuring under insolvency cases.

5. Policy Formulation and Amendments:

a. The board actively engages in drafting regulations, issuing guidelines, and amending rules to address emerging challenges in insolvency resolution.

RESOLUTION AND LIQUIDATIONS PROCESSES

The IBBI was constituted under the Insolvency

and Bankruptcy Code (IBC), 2016, a milestone act with the aim to consolidate and amend laws relating to insolvency and bankruptcy in India. India had no comprehensive mechanism for dealing with insolvency prior to the IBC, which resulted in lengthy delays and inefficiencies. The IBBI was formed to solve these problems by offering a framework and time-bound resolution process.

Under IBC 2016, IBBI regulates the resolution process for distressed companies so that they are able to find a survivable recovery path. In case of no possibility of resolution, the board manages the process of liquidation so that assets are disposed of and debts are paid in a systematic order.

Since the inception of the Insolvency and Bankruptcy Code (IBC) in 2016, 1,051 firms have been successfully revived under the IBC mechanism until September 2024. The firms were restored through formal resolution plans that were sanctioned by the National Company Law Tribunal (NCLT).

The liquidations-to-resolutions ratio has strengthened considerably. During 2017-18, one company per five resolved ended up in liquidation. This dropped to a ratio of 1.3 liquidations per resolution by 2024-25, a more efficient insolvency system.

COMMUNITY OF INSOLVENCY PROFESSIONALS

IBBI plays a vital role in managing and developing a community of insolvency professionals (IPs). These professionals are essential for executing the resolution and liquidation processes. IBBI conducts examinations to regulate the entry of insolvency professionals, ensuring that only those well-educated and skilled are allowed to perform these critical tasks.

REGULATION OF VALUATIONS

Apart from insolvency responsibilities, IBBI regulates valuations in areas such as Securities or Financial Assets (SFA), Land and Building, and Plant and Machinery. This regulation is carried out through Registered Valuers Organizations (RVOs), which further manage the development of registered valuers. The central government assigned this duty to IBBI in 2016 due to the absence of a regulatory body to oversee valuations, which were previously conducted by unskilled professionals.

IBBI serves as the regulatory authority for Registered Valuers Organisations (RVOs) and Registered Valuers

(RVs). Here's how it manages these entities:

1. Registered Valuers Organisations (RVOs):

- ▲ RVOs are self-regulatory bodies recognized by IBBI to oversee the conduct of registered valuers.
- ▲ IBBI grants recognition to RVOs, monitors their functioning, and ensures they comply with the Companies Act, 2013, and the Valuation Rules.
- A RVOs are responsible for providing training, conducting examinations, and maintaining ethical standards among their members.

2. Registered Valuers (RVs):

- RVs are individuals or entities authorized to perform valuations in specific asset classes.
- ▲ IBBI oversees the registration process for RVs, ensuring they meet the eligibility criteria, including qualifications, experience, and training.
- ▲ It also conducts valuation examinations to certify RVs and monitors their performance to maintain high standards of professionalism.

COMMITTEE AND GOVERNANCE

IBBI operates through various committees such as advisory, disciplinary, and technical committees. These committees assist in their respective areas, ensuring that the board's functions are executed effectively and efficiently.

REGULATORY FRAMEWORK

IBBI has introduced several Acts, Rules, and Regulations, alongside issuing circulars, notifications, and guidelines to aid the concerned stakeholders. These measures provide a structured framework for managing insolvency and bankruptcy processes.

SERVICE PROVIDER ROLE

As a service provider, IBBI offers services to Insolvency Professionals (IP), Registered Valuers Organizations (RVO), Insolvency Professional Agencies (IPA), Registered Valuers (RV), and provides a platform for distressed assets. These services are crucial for maintaining a robust insolvency and valuation ecosystem.

EXAMINATION AND ENTRY REGULATION

To regulate the entry of insolvency professionals and registered valuers, IBBI conducts examinations that

test the knowledge and skills required to perform these tasks. This ensures that the professionals entering the field are well-prepared and capable of executing their responsibilities.

FUTURE OUTLOOK

The IBBI is poised to play an even more significant role in India's economic growth. Key areas of focus include:

1. Strengthening Institutional Capacity:

▲ Expanding the pool of insolvency professionals and enhancing the capacity of tribunals to handle cases efficiently.

2. Leveraging Technology:

Adopting digital tools for case management, data analysis, and stakeholder communication to streamline processes.

3. Global Collaboration:

▲ Learning from international best practices and fostering cross-border insolvency cooperation to address global financial challenges.

4. Public Awareness:

▲ Educating businesses and individuals about insolvency processes to promote compliance and reduce stigma.

CONCLUSION

The Insolvency and Bankruptcy Board of India (IBBI) has become an integral part of the Indian regulatory landscape, providing structured and effective solutions for managing insolvency and bankruptcy processes. Through its comprehensive framework, examinations, and the development of skilled professionals, IBBI continues to enhance the financial stability and growth prospects of distressed companies in India. Its efforts have not only revived distressed companies but also strengthened the financial ecosystem, paving the way for sustainable economic growth. As the IBBI continues to evolve, it remains a beacon of hope for businesses and creditors alike, ensuring fairness, transparency, and efficiency in the resolution process.

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Sustainability Standards Board

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ESG



Course Objective

- > To build strategies and effectively integrate sustainability matters into all business practices dealing with the strategy, finance, operations and communications.
- To comprehend and assimilate the rules and regulations and structural framework of Business Responsibility and Sustainability Reporting.
- To understand and analyze the various disclosures made by the Indian companies and various assurance aspects.
- To understand and comprehend the best practices adopted in ESG.
- To build an understanding for preparation of Business Responsibility and Sustainability Report.
- To understand the value chain partners and their role in the business proposition.
- > To properly map Business Responsibility and Sustainability Report to Global Reporting Initiative (GRI) and Integrated Reporting Framework.

Course Eligibility

- FCMA/ACMA/ those who have qualified Final CMA examination
- Final year Students of the CMA course
- Any Graduate

(Minimum Intake is 25 numbers to start a batch)

Course Duration

- > Classroom learning of 2 hours per day in the Weekend through online mode
- > 50 hours online coaching

Online Examination for 100 marks

- ➤ Multiple Choice Questions 60 questions, 1 mark each
- Case Study (also multiple choice)— 10 questions, 2 marks each
- ➤ Project Report online submission 20 marks

Minimum Marks is 60% in each of the all above levels

Course Fees

- Course Fees (including learning kit) of Rs. 6000 plus GST of 18 %.
- Final year Students of the CMA course for an amount of Rs. 4500 plus GST of 18 %.
- Examination Fees of Rs. 750 plus GST per attempt.

Online Admission Link

https://eicmai.in/OCMAC/SSB/SSB.aspx

Course Coordinators

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Behind every successful business decision, there is always a CMA



CMA Joshit Ranjan Sikidar

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Q1. In light of increasing hostile activities and humaninduced environmental degradation threatening our nonrenewable resources and overall habitability of the planet, how do you envision the role of non-conventional energy sources as viable alternatives in the future energy landscape?

Ans. In light of increasing hostile activities and environmental degradation, non-conventional energy sources are poised to become the foundation of India's future energy system.

India's growing energy demand, vulnerability to fossil fuel price

Interview

CMA Joshit Ranjan Sikidar joined the Board of Solar Energy Corporation of India Limited (SECI), a 'Navratna CPSU' on 12th September 2023. He has more than 30 years of experience in Financial Management, Financial Reporting, Corporate Taxation, Strategic business decisions and Treasury Management in Steel, Power & Infrastructure Sector.

Before his appointment as Director (Finance), he was working as Group General Manager (Finance) and Company Secretary of RITES Limited. He also worked in NTPC – SAIL Power Company Limited and SAIL – Bhilai Steel Plant.

He is an MBA and member of the Institute of Chartered Accountants of India, Institute of Cost Accountants of India & Institute of Company Secretaries of India.

He is also the Director Incharge of HR & Administration, Information Technology & Corporate Planning of SECI.

volatility, and severe environmental challenges (like air pollution and water scarcity) make the shift toward renewables urgent. The government's ambitious targets — including 500 GW of non-fossil fuel capacity by 2030 — highlight the central role of solar, wind, biomass, and small hydro. These sources will shift to become India's primary energy supply.

Energy storage and innovation are vital. India's focus on battery technologies and green hydrogen aims to solve the intermittency challenge of renewables, ensuring reliable, round-the-clock power.

Reducing reliance on coal and oil will cut carbon emissions, improve air quality in cities, and protect natural ecosystems. Clean energy adoption is also essential for combating climate-driven disasters, such as floods and droughts.

From a strategic perspective also, non-conventional energy enhances energy security, reducing dependence on imports from geopolitically sensitive regions. By investing in domestic solar and wind capacity, India strengthens its economic and national security. Over the coming decades, India is poised to become a renewable energy powerhouse, transforming its economy and ensuring a livable future for its citizens.

Q2. As SECI stands at the forefront of energy transition in India, could you elaborate on some of the key sustainable energy conservation initiatives that have gained significant traction among stakeholders?

Ans. SECI is leading India's energy transition with several impactful sustainable energy initiatives that have gained strong traction among stakeholders. Key initiatives, such as large-scale solar, wind, hybrid, Firm and Dispatchable Renewable Energy (FDRE) projects ensure efficient and balanced power generation. SECI's development of Solar Parks through its JVS has attracted major private and foreign investments, promoting large-scale clean energy deployment.

SECI has pioneered Firm and Dispatchable Renewable Energy (FDRE) projects, blending solar, wind, and storage to offer consistent green power - that are tailor-made to match the DISCOM's demand profile. We are also advancing energy storage technology to enhance uptake of RE by addressing grid reliability issues.

As part of the National Green Hydrogen Mission, SECI is launching tenders for green hydrogen/green ammonia and electrolyser manufacturing projects, encouraging indigenous development in this sector. Additionally, offshore wind and market-based models are also being developed.

Q3. Given the urgent need for environmental stewardship, what guidance or message would you like to share with the younger generation in their pursuit of a greener, more sustainable planet—especially considering the reality that "there is no Planet B"?

Ans. As the custodians of India's future, the younger generation must remember that there is no Planet B — and moving to sustainable energy lies at the heart of this challenge.

India is blessed with abundant sunlight, wind, and other natural resources. We hold the key to becoming a global renewable energy leader. The new generation has the power to drive this transformation by championing solar, wind, hydro, biomass, and green hydrogen as the core of our economy.

We need to learn, innovate, and lead in clean technologies that power homes and cities without harming our forests, rivers, and communities. Every solar panel installed, every green business started, every smart idea implemented strengthens India's energy independence and global leadership.

Renewable energy is not just a responsibility—
it is a tremendous opportunity. It offers countless paths for innovation, entrepreneurship, and careers— in fields like green engineering, sustainable infrastructure, clean tech start-ups, electric mobility, smart grids, and energy storage. This sector is creating many jobs and new industries that will define the future economy, both for India and the world. Renewable energy not only saves the environment— it also enables building a self-reliant country.

Q4. Reflecting on your distinguished professional journey, could you share some of the pivotal milestones and achievements that have shaped your career path?

Ans. Reflecting on my professional journey, a few key milestones stand out. One major turning point was successfully navigating a challenging job i.e. joining a newly formed company i.e. NTPC-SAIL Power Company Limited, a joint venture of NTPC Limited and SAIL, leaving a job of SAIL- Bhilai Steel Plant. This has taught me the importance of adaptability and given me an all-round experience to take on a leadership role, even in a relatively small

team, which significantly broadened my perspective and enabled me to develop my communication, delegation, and problem - solving skills.

After joining RITES Limited, a listed company, as General Manager (F&A), I had been given an opportunity to work also as Company Secretary of the Company. This has helped me to learn the art of managing Board members, various decision processes, managing investors and instilled in me the importance of flexibility and resilience when facing unexpected challenges.

Finally, consistently seeking opportunities for professional development, such as attending workshops and taking online courses, has been instrumental in shaping my career trajectory.

Q5. Your long-standing success as a Cost and Management Accountant (CMA) is truly commendable. What inspired you to choose this profession, and what continues to drive your passion for it?

Ans. The CMA curriculum focuses on management accounting principles, financial analysis, and strategic decision-making, equipping individuals with the tools to make sound financial decisions and this turned out to be the key in my professional journey. Various management

decisions like evaluation proposal like 'Make or Buy', 'Buy or Hire', Resource Allocation, Cost benefit analysis etc. fascinate me. Probably these have helped me to shape my career.

Q6. Lastly, do you foresee potential opportunities for collaboration between SECL and our Institute in the area of professional development and capacity building?

Ans. SECI serves as an implementing agency for the development of Solar, Wind and Hybrid Projects. It also owns and operates Renewable Energy projects in India. It also offers Project Management Consultancy on Renewable Energy to Public Sector/Government entities, including Feasibility Studies, Bid process Management, Construction Monitoring and Management, Commissioning etc. Therefore, it can collaborate with the institute on professional development and capacity building by partnering on training programs, research projects, and knowledge sharing initiatives focused on renewable energy, particularly solar energy, and related technologies.

SECI can help in developing resources for professionals and students on topics like renewable energy financing, project management, etc. MA

NOTES FOR AUTHORS

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

- Choose a referencing style: There are many different referencing styles, such as APA, MLA, Chicago, and Harvard, each with its own specific format and rules. Choose the style that is most appropriate for your field and stick to it consistently throughout your paper.
- Cite your sources: Cite the sources of information you use in your text by giving the author's name, publication date, and page number(s) for direct quotes or paraphrased material.
- Use a reference list: At the end of your paper, include a reference list that lists all the sources you have used in alphabetical order. This will give your readers a complete list of the sources you consulted in your research.
- Be accurate: Ensure that the information you provide in your references is accurate and complete. This includes the author's name, publication date, title, and source of the information.
- Paraphrase carefully: When paraphrasing, make sure to put the information into your own words, but still give proper credit to the original source.

By following these tips, you can effectively reference your sources in your journal article and avoid plagiarism. Remember that proper referencing is not only important for avoiding plagiarism, but it also helps to support your arguments and show the depth of your research.

Valuation Corner

Abstract

The start-up valuation word was yet to emerge when a story of voice revolution unfolded in India. Due to corporate wars, it remains largely unknown, especially to Gen Z. Sharing those valuation model built-up stitching across my colleagues - many unsung heroes who cherish these memories and would like re-live it as many times. The story concludes in this issue and then we move to due diligence & valuation a sensitive topic during area of thrust on governance

Uplifting people from bottom of the pyramid

-Part 4



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Unsung heroes of voice revolution in India

At end of 3 years an interesting comparison of projected vs actual emerged. The same is tabulated below

	1st year	2 nd year	3 rd year
Call rate	1.5 to 0.5	1.5 to 0.5	1.5 to 0.5
ARPU	6000	6000	6000
MARKET SHARE			60% Proj, 25% Actual
Market size our share	80 lakhs	2 cr	5cr/9cr proj, 5cr/20cr actual
Revenue	4800 cr	12000 cr	30000cr
EBIDTA	2400cr	6000cr	15000cr

Capex	Total 23400	
Payback	3 years	

As we can see above all the parameters were achieved, except 2 where proj vs actual both figures are shown. Market galloped to 20 cr, while we achieved 5 cr as per projections. But it turned out to be 25% market share as against projections of 60%. However, in absolute terms capex budgets, payback period and absolute EBITDA and profits were achieved and it was a grand success. Biggest gainer was we the Indian people, who now get ranked in technology far ahead. The number aggregator start-ups, actually would not have been there it at all if this revolution was not there.

Our tele-density has given rise to many small size businesses as well. And the saying "business at the speed of thought" is achieved as a miracle.

We called big bang strategy and what was done differently compared to competitors in worth analysing below.

Existing 7 competitors wanted to make this a brand. Owning mobile that to off high price was a matter of prestige, show-off, richness. We converted it to a commodity. The handsets are progressively getting to rock-bottom price even today. A luxury was converted to necessity for the people at the bottom of the pyramid.

Big bang approach, we started with 18 states (called as commercial circle almost) at a time and it exploded. While competitors were spreading state by state cautiously. It gave huge advantage of bulk buying of capex almost at $1/3^{\rm rd}$ the cost which others spent. And the upselling gave a spiraling effect.

A big risk (so-called) of tapping and focusing post-paid market was a master-stroke. While competitors were worried about baddebts. A smart move of going to poor people offering post-paid led to havoc in market. One needs to realise in utility sector, it is numbers game, as variable costs are negligible. So even with 30% bad-debts huge profit flowed in. Let me give you a back of the envelope calculation. If you sell 5 cr at 6000 ARPU boking revenue 30000 cr. And even if 70% pay you earn 21000cr on 3.5 cr phones and lose actually say 1000 (handset + commission) as variable cost per unit say 1.5 cr 1500 cr loss, which amounts to nothing. It took long time for even employee even to understand what was happening, leave alone competitors.

This was coupled with smart strategy of SIM vs RIM. A sim card can be replaced and telecom service provider can be changed by getting new number, handset remaining intact. While RIM means Sim is part of metal instrument itself. So buyer cannot churn to other service provider. What happen, the buyer who cannot pay will sell in grey market the instrument after not paying bills for few months. Then somebody else will buy at rock bottom price and then start using. Nd then if not 1st, not 2nd and not even 3rd at least in a year's time handset will find 4th user who will pay the bill. Assured loyalty was a big game.

Go to masses and not rich class strategy paid its dividend, as numbers in category are huge and the popularity became viral by word of mouth. So, after 1st year 80 lakhs were achieved tripling it next year happened by friends and family itself. Initially so called higher middle, corporate executives and rich class laughed but later same people purchased and gifted it to their servants, maids, drivers and anybody with whom convenience mattered and that number became 5 times of "classes" People joked saying it is poor mans phone, but it came as a storm. When monsoon Hungama scheme of 500 came, there were riots in Delhi on the web-stores. Nobody in world would have sold 1 lakhs phones on inauguration day.

A lot more can be shared but I stop here and conclude the grand start-up story with a great idea, out of the box thinking and explosion.

Can there be a reasonable remaking of higher education without incurring any serious incremental cost?

Abstract

Often the sub optimal professional performance is attributed to financial failure. The real reasons could be strategic and operational. If these reasons are sorted out, the financial performance automatically improves. Sometimes a thorough assessment of your product may lead to its complete reincarnation. This could be possible without any serious incremental financial cost.

r. Angad Tapdiya, the Chancellor of 'Pragat University' was worried about the response to his MBA Programme. The management institute was located in the beautiful landscape of Arunachal and was equipped with state-of-theart facility. Mr. Angad personally selected the best of the lecturers and offered them very good remuneration along with a performance-linked annual incentive. The research facility and library were of international standard. Accommodation, food, gym, online data facility and other comforts were provided to the students at a very reasonable price. Every weekend eminent members from the corporate world would visit the campus and share their knowledge with the students. First batch passed out last year and around 60% students were placed through the campus interviews. Only 70% of the second batch could be filled in. The response to the third batch was 60%. Pragat University offered a few scholarships and fee - waiver to the deserving students.

30% of the seats were reserved for "donor students" and remaining 70% seats were offered to the general students based on their merit. The donor category fees were three times of the general fees. This ratio was observed to offer a fee - concession to the general students. Although an exact ROI on the institutional investment was not defined, the university expected a decent surplus from the second year onwards. Unfortunately, it was the third consecutive year of cash loss. Despite being generous in providing all the best facilities to the students, the response was declining. Mr. Angad was sceptical about reaching the financial break-even point in near future.

A detailed CBA (Cost Benefit Analysis) was carried out to assess various strategies related to the conduct of the MBA Programme. Two important aspects were noticed. The members of the full-time faculty were good researchers but lacked the depth of corporate experience. The visiting lecturers were more attracted by the scenic nature at the institute's location. They didn't spend enough time with the students. The



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other factor was, the campus was isolated from the corporate world. Hence it was difficult for the students to carry out their subject-wise project assignments based on the industrial visits. Being away from the industrial towns, the students used to feel that they were not able to do regular business benchmarking.

The top team and Mr. Angad reached one important conclusion that the challenge was not financial, but it was structural and academic. They decided a few remedies. The first was, to appoint retired senior corporate executives as full-time faculty. The second was, to expect the visiting lecturers to spend more time with the students. The third was, engaging the full-time academicians in business consulting, so that they would impart practical aspects of business management.

The team seriously evaluated the structure of the MBA Programme and decided to make it more practical. This was essential to attract more companies to visit the campus and offer good jobs to the students. It was decided that the students should spend two intervals of practical learning in the industry. Each interval was of one month. Each visiting lecturer was to act as a coach of two students throughout the two years programme. The length of the programme now got extended to twenty-six months.

Mr. Angad also invited a few reputed corporates to engage the students in 'case study competitions' based on innovative business ideas. A few companies were requested to conduct an exchange programme. The full-time lecturers were to do a two years job in the industry and the corporate executives to teach full time at the institute for two years. This exchange programme was to enable the academicians to attain good practical learnings and the corporate executives to improve their teaching pedagogy and get useful research insights.

Mr. Angad decided that his institute should participate in international events and increase its visibility in the global market. Brilliant students were to be encouraged to compete with the students from the best global institutes. All these initiatives were to be carried out simultaneously. Mr. Angad was ready to incur certain 'strategic costs' to reincorporate the MBA Programme.

STEP-BY-STEP APPROACH TO GOING PUBLIC WITH AN INITIAL PUBLIC OFFERING (IPO) IN THE INDIAN STOCK MARKET AND VALUE CREATION

Abstract

The Indian IPO market has witnessed significant momentum over the last few years, driven by strong investor appetite, and favorable market conditions. Several high-profile IPOs have not only raised substantial capital but also created immense value for shareholders post-listing. Before initiating an IPO, a company must evaluate its readiness based on financial health. corporate governance, market conditions, and long-term objectives. Valuation is a critical factor in determining the attractiveness of an IPO. Many companies opt for pre-IPO fundraising to secure capital and enhance investor confidence. To ensure a smooth IPO process, the company must hire professional advisors, including Investment Bankers (Lead Managers), Legal Advisors, Auditors, Registrars & Transfer Agents, and Advertising & PR Firms. The Company, in consultation with investment bankers, prepares the Draft Red Herring Prospectus (DRHP). Companies must clearly outline the utilization of IPO proceeds in their DRHP to maintain investor trust and regulatory transparency. The DRHP is submitted to SEBI for review and approval. The company must obtain approval from stock exchanges like the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Companies must meet stringent SEBI and stock exchange requirements before their shares can be listed on leading exchanges.



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Introduction

n Initial Public Offering (IPO) marks a transformative milestone for a company, enabling it to raise capital from the public by issuing shares on a stock exchange. The Indian IPO market has witnessed significant momentum over the last few years, driven by strong investor appetite, favorable market conditions, and robust participation from both institutional and retail investors. Several highprofile IPOs have not only raised substantial capital but also created immense value for shareholders post-listing. For instance, Zomato (2021) was one of the first major Q-Commerce IPOs, raising ₹9,375 crore and achieving strong listing gains. Similarly, Nykaa (2021) delivered multiple-fold value creation, with its stock surging post-listing due to investor confidence in India's growing digital commerce space. Few years ago, Mamaearth (2023) and Tata Technologies (2023) garnered significant attention, with Tata Technologies delivering an impressive 140% listing gain, reflecting strong demand for fundamentally sound businesses. Despite macroeconomic challenges, sectors like fintech, consumer technology, and manufacturing have continued to attract IPO investors, signaling sustained optimism in India's capital markets.

In India, the process of going public is regulated by the Securities and Exchange Board of India (SEBI) and follows a structured approach to ensure transparency, compliance, and investor protection. This article outlines the step-by-step process of launching an IPO in India and explores how companies can maximize value creation through this journey.

Review of Literature

Extensive research and regulatory guidance underscore the complexity and strategic significance of Initial Public Offerings (IPOs). SEBI (2023) has issued several circulars and consultation papers emphasizing enhanced disclosure norms, corporate governance, and risk mitigation to protect investors and improve market efficiency. McKinsey & Company (2021) noted in their global IPO report that companies that actively communicate a post-IPO value creation roadmap experience up to 30% better stock performance in the first-year post-listing. EY India's IPO trends report (2022) documented that India ranked among the top three IPO markets globally by volume, driven by strong retail participation and robust regulatory frameworks. Academic papers from IIM Ahmedabad and ISB Hyderabad have explored Indian IPOs, identifying regulatory clarity, due diligence, and pre-IPO investor engagement as major success factors. These contributions provide a robust foundation for understanding the IPO process as not just a financial milestone, but a governance and strategic inflection point for the issuing company.

Step 1: Assessing Readiness for an IPO

Before initiating an IPO, a company must evaluate its readiness based on financial health, corporate governance, market conditions, and long-term objectives. Key considerations include:

- A strong and sustainable revenue model
- Profitability and growth prospects
- Regulatory compliance and financial transparency
- Experienced management team and governance structure
- Scalability and operational efficiency
- Industry attractiveness and market potential
- Competitive positioning in the sector

Step 2: Valuation of the IPO-Bound Company

Valuation is a critical factor in determining the attractiveness of an IPO. Companies typically rely on various valuation methodologies, such as:

- Discounted Cash Flow (DCF): Estimates the present value of future cash flows.
- Comparable Company Analysis (CCA): Compares valuation metrics (P/E ratio, EV/ EBITDA, etc.) of peer companies.
- Precedent Transactions: Analyzes recent IPOs and acquisitions in the industry.
- Market Sentiment & Demand: Investor perception, industry trends, and growth potential impact valuation.
- Earnings Growth Potential: Analyzing future earnings projections and scalability.

Investment bankers and financial advisors work closely with the company to finalize a valuation that balances investor appeal and maximizes capitalraising potential.

Step 3: Pre-IPO Fundraising

Many companies opt for pre-IPO fundraising to secure capital and enhance investor confidence. Common methods include:

- Private Placements: Selling shares to institutional investors or high-net-worth individuals.
- Venture Capital & Private Equity Investments: These firms provide funding in exchange for equity, often at a discount to the IPO price.

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- Convertible Securities: Issuing debt that converts into equity upon IPO listing.
- Anchor Investor Allocation: A portion of shares is allocated to strategic investors before the IPO launch.
- Strategic Investments: Partnering with other businesses for strategic funding.
- Bridge Financing: Short-term funding to cover operational expenses before IPO proceeds are realized.

Pre-IPO fundraising helps validate the company's valuation and generates positive market sentiment ahead of the public offering.

Step 4: Appointing Key Advisors

To ensure a smooth IPO process, the company must hire professional advisors, including:

- Investment Bankers (Lead Managers): They underwrite and manage the IPO process.
- Legal Advisors: They ensure compliance with SEBI regulations.
- Auditors: They verify financial statements and ensure accuracy.
- Registrars & Transfer Agents: They manage share allocation and investor records.
- Advertising & PR Firms: They assist in marketing and brand positioning.
- Investor Relations (IR) Team: To manage communications with potential investors and analysts.

Leading Investment Bankers and Lead Managers for IPOs in India

Investment bankers and lead managers play a crucial role in the IPO process by advising companies on pricing, regulatory compliance, investor outreach, and overall execution. In India, several reputed investment banks and financial institutions specialize in managing IPOs for large corporations, mid-sized firms, and even startups. These firms provide underwriting services, manage book-building processes, and ensure successful stock market listings. Below is a table of some of the top investment bankers and lead managers actively involved in IPOs in India:

Sr. No	Investment Banker / Lead Manager	Key Clients & Notable IPOs
1	Kotak Mahindra Capital Company	Zomato, Nykaa, LIC, Tata Technologies
2	ICICI Securities	SBI Cards, Adani Wilmar, Go Digit Insurance
3	Axis Capital	Delhivery, Mankind Pharma, Medanta
4	JM Financial	HDFC AMC, CMS Info Systems, Kalyan Jewellers
5	HDFC Bank Investment Banking	IRFC, Star Health, Syrma SGS Technology
6	Edelweiss Financial Services	Ujjivan Small Finance Bank, Equitas Holdings
7	IIFL Securities	Nazara Technologies, SJS Enterprises
8	Jefferies India	FSN E-Commerce (Nykaa), Glenmark Life Sciences
9	Morgan Stanley India	Paytm, PolicyBazaar, Tata Play
10	Goldman Sachs India	Zomato, PB Fintech, Macrotech Developers
11	Citi India	SBI Life Insurance, Reliance Nippon AMC
12	Credit Suisse India	Burger King India, Devyani International
13	BOFA Securities (Bank of America Merrill Lynch)	Tata Consultancy Services (TCS), IRCTC
14	JP Morgan India	HDFC Bank, Infosys, LIC
15	Nomura India	Aditya Birla Capital, Indian Energy Exchange (IEX)
16	SBI Capital Markets	HUDCO, IRFC, NHPC, Power Grid
17	Avendus Capital	TBO Tek, Mamaearth, Bikaji Foods

These firms bring extensive experience and strong institutional investor connections, ensuring successful IPO execution. Companies planning an

STOCK MARKET

IPO often select multiple lead managers to diversify investor participation and maximize subscription levels. Strong investment banking support enhances credibility, ensuring robust demand, fair pricing, and smooth post-listing performance.

Step 5: Regulatory Compliance, SEBI Approval and End Use of Funds

Drafting the Draft Red Herring Prospectus (DRHP)

The company, in consultation with investment bankers, prepares the DRHP, which includes:

- Company Overview: Business model, history, management, and ownership structure.
- Financial Statements: Audited balance sheets, profit and loss statements, cash flow statements for the past three years.
- Industry Analysis: Market trends, competitive landscape, and growth prospects.
- Risk Factors: Potential threats to business performance and investor risks.
- Use of Proceeds: Detailed breakdown of fund utilization from the IPO.
- O Legal & Regulatory Disclosures: Compliance details, pending litigations, and related party transactions.
- Corporate Social Responsibility (CSR) Initiatives: To highlight sustainability efforts.

End Use of Funds Raised Through an IPO

The funds raised through an IPO are critical for a company's growth and expansion. Companies must clearly outline the utilization of IPO proceeds in their DRHP to maintain investor trust and regulatory transparency. The common end uses of IPO funds include:

- Business Expansion & Growth: Companies use IPO proceeds to expand operations, set up new manufacturing plants, enter new markets, or invest in research and development (R&D) for product innovation.
- Debt Repayment: Many firms use IPO proceeds to reduce or eliminate outstanding

- debt, improving financial stability and reducing interest costs.
- Working Capital Requirements: Some IPO funds are allocated to day-to-day operational needs, ensuring smooth cash flow and business continuity.
- Acquisitions & Strategic Investments: Companies may use IPO proceeds to acquire other businesses, invest in joint ventures, or fund mergers, strengthening their market position.
- Technology & Infrastructure Development: Investment in digital transformation, IT infrastructure, and automation is common among companies in tech, finance, and e-commerce sectors.
- Brand Building & Marketing: IPO proceeds often support advertising, brand positioning, and customer outreach to enhance business visibility.
- General Corporate Purposes: A portion of funds may be allocated to unspecified corporate needs, providing financial flexibility for unforeseen business opportunities.
- Shareholder & Promoter Exit (Offer for Sale OFS): In some IPOs, promoters and early investors sell part of their holdings, allowing them to monetize investments while offering liquidity to public investors.

Effective utilization of IPO proceeds not only enhances a company's financial position but also drives long-term value creation for shareholders by fostering growth, profitability, and competitive advantage in the market.

Filing with SEBI

The DRHP is submitted to SEBI for review and approval. SEBI may ask for clarifications or modifications before granting approval. The final Red Herring Prospectus (RHP) is issued after approval.

Step 6: Due Diligence

The company must obtain approval from stock

exchanges like the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The due diligence process includes verifying corporate governance, financial disclosures, and compliance with listing norms.

A strong listing gain (or "IPO pop") can generate positive momentum, while a weak listing may impact future trading performance

The due diligence process is a crucial step in an IPO, ensuring that all aspects of the company's financial, legal standing, and regulatory compliance are thoroughly vetted before going public. It involves a comprehensive review by investment bankers, auditors, legal advisors, and regulatory bodies to ensure transparency and mitigate risks for investors.

(i) Financial Due Diligence

Financial due diligence involves an in-depth examination of the company's historical financial statements, revenue models, cash flow projections, debt obligations, and asset valuations. Auditors ensure that all financial reports comply with the Indian Accounting Standards (Ind-AS) and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Key financial metrics such as EBITDA margins, return on equity (ROE), and profit after tax (PAT) are scrutinized to validate the company's financial health and sustainability. Investment bankers also assess the company's working capital needs, capital expenditure plans, and potential risks to future earnings.

(ii) Legal Due Diligence

Legal due diligence ensures that the company follows all applicable laws and has no pending litigations or contractual obligations that may pose risks to investors. This includes reviewing corporate governance policies, intellectual property rights, material contracts, labor law compliance, taxation matters, and pending lawsuits. Legal advisors also verify the company's ownership structure, land and asset ownership, and any regulatory approvals required for operations. Companies must disclose all material legal risks in their DRHP to avoid regulatory scrutiny later.

(iii) Regulatory Compliance Due Diligence

SEBI and stock exchanges such as BSE and NSE have stringent compliance requirements that companies must fulfill before listing. Regulatory due diligence

involves verifying adherence to corporate laws, SEBI (Listing Obligations and Disclosure Requirements) Regulations, and industry-specific regulations (e.g., RBI for banking and NBFCs, IRDAI for insurance firms). Additionally, the company must comply with Foreign Exchange Management Act (FEMA) provisions if it has foreign investors. Regulatory filings, disclosures on shareholding patterns, and compliance with minimum public shareholding norms (at least 25% for listed companies) are key aspects of this process.

(iv) Business & Operational Due Diligence

Beyond legal and financial aspects, due diligence also evaluates the company's operational efficiency, business model sustainability, market position, and risk factors. Analysts assess customer contracts, supply chain dependencies, technological capabilities, intellectual property risks, and ESG (Environmental, Social, and Governance) practices. A strong focus is placed on identifying any undisclosed operational risks that could impact future growth.

Overall, a thorough due diligence process is vital to ensure investor confidence, regulatory compliance, and a smooth IPO execution. Companies that successfully navigate this stage enhance their credibility, ensuring a robust listing and long-term value creation.

Step 7: Setting the Offer Price and IPO Structure

Determining the IPO Price Band

The pricing strategy is crucial and can be determined using:

• Fixed Price Method: The company predetermines the issue price.

- Book Building Method: Investors bid within a price range, and the final price is decided based on demand.
- **Hybrid Pricing:** A mix of fixed pricing and book building.

Deciding on the IPO Structure

- Fresh Issue: New shares are issued, increasing the company's capital.
- Offer for Sale (OFS): Existing shareholders sell their shares without increasing capital.
- **Hybrid Offering:** A combination of fresh issue and OFS.

Step 8: Marketing and Roadshows

To generate investor interest, the company conducts:

- Roadshows: Meetings with institutional investors to present the company's growth potential.
- Advertising Campaigns: Digital, print, and media campaigns to reach retail investors.
- Anchor Investor Allocation: A portion of the IPO is allotted to institutional investors before public bidding.
- Social Media Outreach: To engage retail investors and improve IPO visibility.

Step 9: Strategic Considerations in IPO Planning

- Market Timing: Choosing the right market conditions to maximize investor interest.
- Corporate Governance: Strengthening governance frameworks to gain investor trust.
- Long-term Growth Plans: Clearly defining post-IPO business expansion and utilization of funds.
- Shareholding Structure: Maintaining an optimal balance between promoters, institutional investors, and retail participation.
- Post-IPO Performance: Implementing strategies to maintain stock price stability and investor confidence.

Step 10: IPO Subscription, Employee Quota, and Allotment Process

Once the IPO opens, investors bid within the price band. Based on demand, allotment is finalized as follows:

- Qualified Institutional Buyers (QIBs): Institutional investors like mutual funds and banks.
- Non-Institutional Investors (NIIs): Highnet-worth individuals.
- Retail Investors: Individual investors applying for shares in small quantities.
- Employee Quota: Some IPOs reserve a portion for company employees as an incentive to enhance loyalty and engagement. This helps in ensuring employee participation in the company's success and wealth creation.

Post subscription, the registrar finalizes the allotment, and refunds are issued to unsuccessful bidders.

Step 11: Stock Exchange Listing

The IPO listing process in India involves multiple steps to ensure regulatory compliance, investor protection, and a smooth transition from a private company to a publicly traded entity. Companies must meet stringent SEBI and stock exchange requirements before their shares can be listed on leading exchanges such as the BSE and NSE. The listing process includes obtaining approvals, fulfilling due diligence requirements, and completing market-related procedures to facilitate public trading.

i. Approval from SEBI and Stock Exchanges

Once the DRHPis filed with SEBI and reviewed for compliance, the company receives regulatory clearance. Simultaneously, it must seek listing approvals from stock exchanges by submitting the necessary financial and governance disclosures. The exchanges evaluate aspects such as corporate governance standards, financial strength, promoter credibility, and compliance with listing regulations before granting approval.

ii. Price Discovery and Book Building Process

Companies typically opt for the bookbuilding process, where a price band is set, and investors bid within the specified range. The investment bankers and lead managers analyze demand trends from institutional and retail investors to determine the final offer price. The IPO subscription period usually lasts three to five days, allowing investors to place bids. In case of oversubscription, shares are allocated based on predefined allotment criteria.

iii. Share Allotment and Refund Process

Once the subscription period closes, the registrar to the issue finalizes the share allotment based on demand and investor categories. Retail investors, high-net-worth individuals (HNIs), and qualified institutional buyers (QIBs) receive shares based on SEBI-defined allotment structures. If the IPO is oversubscribed, shares are allotted through a proportionate or lottery system, and excess funds are refunded to unsuccessful bidders. The company also finalizes anchor investor allocations to strategic institutional investors before the public listing.

iv. Listing Date and Commencement of Trading

After share allotment, the company announces the listing date, usually within six working days from the IPO closing date. On the listing day, the shares debut on stock exchanges, and the opening price is determined based on market demand and investor sentiment. A strong listing gain (or "IPO pop") can generate positive momentum, while a weak listing may impact future trading performance. The circuit filter mechanism is applied on the first day to prevent excessive price volatility, ensuring market stability.

Step 12: Post-Listing Continual Value Creation

Once listed, the company must comply with continuous disclosure requirements, financial reporting norms, and minimum public shareholding regulations. Promoters and pre-IPO investors are subject to a lock-in period to prevent excessive selling pressure immediately after listing. The company must also engage in investor relations activities, quarterly earnings disclosures, and regulatory filings to maintain transparency and investor confidence.

The IPO listing process is a crucial milestone for companies, offering access to public capital while increasing brand credibility. A successful listing not only enhances liquidity but also establishes the company as a key player in the capital markets, paving the way for long-term value creation.

- Revenue Growth: Companies should focus on expanding market share, launching new products, and increasing customer retention.
- Profitable Growth: Ensuring cost efficiency, optimizing margins, and maintaining sustainable financial health.
- Transparency & Disclosures: Promoters, the CEO, and the CFO should consistently provide accurate and timely disclosures.
- Corporate Governance: Maintaining robust governance practices to build long-term investor trust.
- Shareholder Communication: Regular earnings reports, investor conferences, and strategic updates.

Conclusion

Executing a successful IPO requires strategic planning, regulatory compliance, and investor engagement. Companies that manage the process effectively can unlock significant value and establish themselves as strong players in the capital markets.

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INPUT TAX CREDIT (ITC) REVERSAL ON LOSS OF GOODS UNDER GST

Abstract

"Input Tax Credit (ITC) reversal for goods lost due to fire, accidents, or natural calamities remains a grey area under the GST regime. While Section 17(5)(h) of the CGST Act disallows ITC on lost or destroyed goods, its interpretation—particularly in cases involving partially damaged goods, capital goods, or salvage sales—varies and lacks consistent judicial clarity. Unlike the earlier Central Excise framework, GST provides limited guidance, resulting in operational and compliance challenges. The absence of clear rules and the potential for litigation."

he issue of Input Tax Credit (ITC) reversal on goods lost due to fire, accidents, or natural calamities has been a significant point of contention under various tax regimes. While the Central Excise regime addressed this issue with amendments to the CENVAT Credit Rules, 2004, the transition to the Goods and Services Tax (GST) regime has left some ambiguity, particularly in relation to Section 17(5)(h) of the Central Goods and Services Tax (CGST) Act, 2017. This article examines the legal provisions and challenges related to ITC reversal for lost goods under the GST framework.

Legal Provisions Under the Central Excise Regime

In the Central Excise era, the following provisions governed the reversal of ITC in cases of goods lost due to fire or accidents:

1. Levy of Duty on Manufacture: Under Section 3 of the Central Excise Act, 1944, excise duty was imposed on the manufacture of goods. Even if the goods were destroyed post-manufacture, the duty was levied.



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- 2. Remission of Duty: Section 5 of the Central Excise Act, 1944, along with Rule 21 of the Central Excise Rules, 2002, allowed remission of duty for goods destroyed by natural causes or accidents. However, no explicit provision required ITC reversal on inputs used in the manufacture of such goods.
- Clarification and Amendment: Circular No. 650/41/2002-CX clarified that ITC reversal was not necessary for inputs contained in finished goods when remission was granted. Subsequently, Rule 3(5C) of the CENVAT Credit Rules, 2004, was introduced to mandate ITC reversal on inputs prior to remission of duty.

These provisions provided a clear framework regarding ITC reversal for lost or destroyed goods under the Central Excise regime, but this clarity did not fully extend to the GST framework.

Legal Provisions Under the GST Regime

Under the GST regime, Section 17(5)(h) of the CGST Act, 2017, specifically addresses ITC reversal for goods lost, stolen, or destroyed written off, or disposed of by way of gift or free samples The relevant provision states:

"Input tax credit shall not be available in respect of goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples."

This provision restricts the availability of ITC in specific cases, and the rationale is to prevent cascading taxes. Since no GST is payable on goods that

are lost, stolen, or destroyed, ITC on those goods should not be allowed However, ambiguities arise from the phrasing of Section 17(5)(h), leading to varying interpretations regarding the extent of ITC denial.

Rationale and Ambiguities in Section 17(5)(h)

The logic behind Section 17(5)(h) is to prevent ITC on goods that do not generate taxable outward supply. However, GST covers several scenarios where tax is payable without consideration, as laid out in **Schedule** I of the CGST Act. These provisions create potential conflicts between denying ITC under Section 17(5) (h) and charging GST on transactions like the free distribution of goods or services.

Circular No. 92/11/2019-GST provided some clarification by stating that ITC would be allowed where distribution of gifts or free samples is considered a supply under Schedule I. This circular did not address all scenarios, such as losses due to fire, accidents, or natural calamities, leaving certain ambiguities unresolved.

Fire, Accidents, Natural Calamities, and Sale of Scrap

In cases where goods are partially salvaged after a fire or accident and sold as scrap, a key question is whether the sale of scrap constitutes a taxable supply, thereby allowing ITC on the lost goods. While this interpretation may seem reasonable, Section 17(5) (h) specifically restricts ITC for goods that have lost their original form or identity, making this approach open to litigation.

Another complication arises when goods are damaged but still repairable. For example, if a business removes branding from damaged goods and sells them at a reduced price, can ITC be claimed on the inputs used to manufacture those goods? Such scenarios are likely to pose significant challenges for

Businesses must carefully evaluate their ITC claims, keeping in mind the potential for litigation and the lack of comprehensive guidance from the authorities

taxpayers, given the current legal framework.

Insurance Claims and ITC

The question of whether ITC can be claimed when an insurance payout is received for goods lost in a fire or accident adds further complexity.

Insurance claims are classified

as "actionable claims," which are outside the scope of GST under Schedule III of the CGST Act. As a result, no GST can be levied on the insurance claim itself, meaning ITC cannot be claimed on the reimbursement. However, if the insurance settlement includes compensation for the lost ITC (i.e., the ITC reversal amount), the situation could become more complicated for businesses.

Court Cases and Advance Rulings

There is limited judicial guidance on ITC reversal for goods lost under GST. One significant ruling is the **Authority for Advance Rulings (AAR) Telangana** decision in **Geekay Wires Ltd. [2023] 154 taxmann. com 384,** which addressed ITC reversal in three specific cases:

- Raw materials destroyed in a fire.
- Raw materials lost in a fire before use in manufacturing.
- Finished goods destroyed in a fire and sold as scrap, with output tax paid on the sale of scrap.

The AAR ruled that ITC reversal is required in all these instances. However, AAR rulings are only binding on the applicant and jurisdictional officer involved, meaning this ruling does not provide industry-wide clarity.

Key Issues and Interpretations Under GST

There are several unresolved issues regarding ITC reversal under GST:

1. Extent of ITC Denial: Section 17(5) (h) restricts ITC on goods lost, stolen, or destroyed, but there is disagreement over whether this applies only to original inputs or also extends to semi-finished and finished goods. Revenue authorities typically adopt a broad interpretation, demanding ITC reversal for all goods involved, including raw materials,

semi-finished, and finished goods.

- 2. Loss During Transit and Manufacturing: ITC is not allowed for goods lost during transit since they never reach the manufacturing stage. However, courts have ruled in favor of businesses where the loss is inherent to the manufacturing process, as in ARS Steels & Alloy International v. State Tax Officer, Chennai (2021). This precedent could apply to normal manufacturing process losses.
- 3. Capital Goods Lost in Fire: Section 17(5) (h) also applies to capital goods, but there is no clear consensus on how much ITC should be reversed. Some argue that reversal should be proportional to the remaining useful life of the capital goods, while others call for full reversal. Additionally, it is unclear whether ITC reversal applies to capital goods purchased under pre-GST regimes with credits transitioned via TRAN-1.

Operational Issues

Aside from legal ambiguities, several operational challenges also hinder compliance:

• Calculation Complexity: Determining the proportion of lost goods relative to total goods is complex, especially as taxpayers must maintain

- accurate records of lost or damaged goods and the corresponding ITC.
- System Limitations: The GST Portal currently lacks functionality to verify ITC reversals, complicating compliance.
- Manual Processes: Without automation, taxpayers must rely on manual documentation and third-party certifications, leading to timeconsuming processes prone to errors.

Conclusion

The issue of ITC reversal for goods lost due to fire, accidents, or natural calamities remains unresolved under GST. Businesses must carefully evaluate their ITC claims, keeping in mind the potential for litigation and the lack of comprehensive guidance from the authorities. The introduction of clearer rules or judicial precedents is crucial for eliminating ambiguities in this area. Until then, taxpayers must navigate these complexities while ensuring compliance with the law.

References

The article is based on the Central Goods and Services Tax Act, 2017, and draws from relevant case law encountered during my experience handling related litigation.





Our Heartiest Congratulations to CMA Saurav Mitra on assuming charge as Director (Finance) and Chief Financial Officer (CFO) of Petronet LNG Limited.

CMA Navneet Kumar Jain, Council Member, CMA Jeewan Chandra (RCM), CMA Manish Kandpal (RCM), CMA Naveen Dahiya, and Shri Rahul Arya met and warmly felicitated CMA Mitra on his new appointment and conveyed their best wishes for a successful tenure.

We wish CMA Saurav Mitra the very best for all his future endeavors.

REVOLUTIONIZING STRATEGIC COST MANAGEMENT IN 2025: STRATEGIES FOR BUSINESS LEADERS

Abstract

Strategic cost management (SCM) has become essential for driving business growth and profitability in 2025. This article explores modern approaches to cost management, highlighting trends such as AI-driven analytics, digital transformation, and sustainability initiatives. A structured framework for cost management implementation is presented, covering cost audits, strategy development, technology integration, and performance monitoring. Additionally, the article offers industry-specific strategies for healthcare, aviation, and manufacturing sectors. By leveraging advanced technologies and adopting sustainable practices, business leaders can achieve significant cost reductions while aligning with organizational goals. The article concludes by addressing common challenges in cost management implementation and provides solutions to overcome them, equipping leaders with practical tools to navigate the evolving business landscape.

Introduction

trategic cost management (SCM) is a crucial pillar for achieving sustainable growth and profitability. As we enter 2025, the business landscape is shaped by technological advancements, global economic shifts, and changing consumer behaviours. Business leaders must adapt and innovate their cost management strategies to maintain a competitive edge. This article explores cutting-edge strategies for effective cost management in 2025, offering actionable insights for business leaders.

The Evolution of Strategic Cost Management

Strategic cost management has evolved from traditional cost-cutting measures to a comprehensive approach integrating technology, data analytics, and sustainability. Businesses are no longer solely focused on reducing expenses but on optimizing costs to drive value creation.

Key trends influencing cost management in 2025 include:

- 1. AI and Automation: Enhancing cost optimization and operational efficiency.
- **2. Sustainability Initiatives:** Integrating green practices to reduce waste and expenses.



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- **3. Digital Transformation:** Leveraging cloud computing, IoT, and blockchain for process efficiency.
- Remote Work Optimization: Reducing overhead costs while maintaining productivity.
- Outsourcing and Collaboration: Forming strategic partnerships to reduce operational costs.

Strategic Framework for Cost Management Implementation

Step 1: Conduct a Cost Audit:

• Analyze expenses, identify cost drivers,

STRATEGIC COST MANAGEMENT

- and benchmark against industry standards.
- Conduct value stream mapping to pinpoint inefficiencies.

Step 2: Develop a Cost Management Strategy:

- Set measurable objectives such as reducing overhead or supply chain costs.
- Align initiatives with business goals and sustainability targets.

Step 3: Leverage Technology and Automation:

- Use cloud-based tools for real-time cost tracking and AI for predictive analytics.
- Adopt blockchain for secure, transparent procurement processes.

Step 4: Build a Cost-Conscious Culture:

- Provide employee training on cost-saving techniques.
- Incentivize departments for meeting costreduction targets.

Step 5: Monitor Progress and Improve Continuously:

- Use KPIs such as cost savings percentage, ROI, and cost per unit.
- Conduct quarterly reviews to adjust strategies based on performance data.

Strategies for Effective Cost Management in 2025

1. Leveraging Artificial Intelligence and Automation

- AI-Driven Predictive Analysis: Helps forecast costs and identify savings.
- Automated Reporting: Reduces manual labor and human error.
- Smart Contracts: Utilizing blockchain to automate transactions and reduce administrative costs.

2. Implementing Zero-Based Budgeting (ZBB)

- Benefit: Aligns spending with business objectives.
- Implementation Tip: Utilize AI tools for realtime budget tracking.

By staying agile and continually refining their cost management practices, organizations can navigate the complexities of the modern business landscape

3. Sustainability-Driven Cost Management

- Renewable Energy: Reduces utility costs.
- O Circular Economy Practices: Minimizes waste and repurposes materials.
- O Sustainable Supply Chains: Reduces transportation and storage costs.

4. Data-Driven Decision-Making

- Real-Time Dashboards: Provide instant insights for quick decision-making.
- Cost-Benefit Analysis: Helps evaluate the financial impact of strategic decisions.

5. Optimizing Supply Chain Management

- Supplier Relationship Management: Negotiating better terms.
- Inventory Optimization: Reducing holding costs through just-in-time practices.
- Logistics Automation: Utilizing IoT for efficient transportation.

6. Workforce Cost Optimization

- Hybrid Work Models: Reduces office space costs.
- Performance-Based Incentives: Aligns employee goals with company objectives.
- Upskilling Programs: Reduces turnover and recruitment costs.

7. Technology-Driven Financial Planning

- O Cloud-Based Accounting: Reduces infrastructure costs.
- AI in Financial Forecasting: Enhances accuracy in financial planning.

Industry-Specific Cost Management Strategies Healthcare

- Telemedicine: Reduces operational costs.
- AI Diagnostics: Minimizes labor costs.
- Inventory Management Systems: Reduces waste.

Aviation

• Fuel Management Software: Reduces fuel consumption.

STRATEGIC COST MANAGEMENT

- Dynamic Pricing Models: Optimizes revenue.
- Predictive Maintenance: Lowers repair costs.

Manufacturing

- Lean Manufacturing Techniques: Reduces waste.
- IoT for Predictive Maintenance: Minimizes downtime.
- Supply Chain Automation: Reduces logistics costs.

Measuring the Impact of Cost Management Strategies

- Key Performance Indicators (KPIs): Monitor cost savings, ROI, and operational efficiency.
- Benchmarking: Compare performance against industry standards.
- Regular Audits: Identify areas for further improvement.

Challenges in Implementing Cost Management Strategies

- Resistance to Change: Employees may be reluctant to adopt new practices.
- Technology Integration: Implementing new

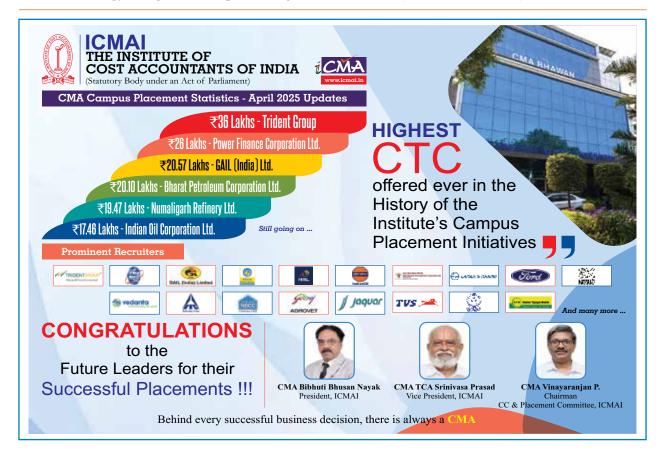
- technologies can be costly and complex.
- Data Security: Increased use of digital tools raises cybersecurity concerns.

Conclusion

Strategic cost management in 2025 demands a blend of technology, sustainability, and data-driven decision-making. Business leaders who embrace these innovative strategies will not only reduce costs but also drive value creation and gain a competitive edge. By staying agile and continually refining their cost management practices, organizations can navigate the complexities of the modern business landscape and achieve long-term success.

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A PROPOSED TECHNIQUE FOR COMPUTATION OF PO AND CO ATTAINMENT UNDER NEP-2020

Abstract

NEP 2020 has revolutionized the entire education system in India. The present paper highlights the importance of PO and CO which is anintegral part of NEP 2020 to design the curriculum framework of any college/university. The college/university needs to significantly attain the PO and CO which will enhance its academic excellence. The paper takes an example and investigates the procedure that can be used to calculate the percentage attainment of course outcome and program outcome. It further tries to explain how the course outcome can be aligned with program outcome to find out the percentage of attainment of the program outcome in relation to a particular course.



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"Till date, we've been focusing on 'What to Think' in our education policy. In the NEP, we're focusing on 'How to Think'."

- Prime Minister Narendra Modi

1. Introduction

EP 2020 has emphasized outcomebased learning which includes framing of program outcome and course outcome for the curriculum of any college/university. From the CO and PO the students can understand in advance what they expect to derive from the course and program and will help them to make decision to select the appropriate program which will be in line with their needs and wants.

Program outcome is basically the skills and knowledge a student is expected to derive from the entire program undertaken by the student. Example different programs in a college/university can be bachelor's degree (like BBA,BCom,BA etc.) as well as master's degree (Like MBA, MCom, MA etc.). It is a very important constituent of designing a curriculum as the college/university should be transparent about the outcomes of the program that it floats in the market so that the student can understand the benefit of pursuing such program. The student can also choose thebest alternative program to pursue among the different alternatives available which suits his/her needs and wants. There may be several program outcomes which can be identified by PO1, PO2, PO3 etc.

Course outcome are the skills and knowledge the students are expected to derive from a particular course in the program. These are narrower than the program outcome as they are specific to a particular course. The course outcome should be framed in such a manner that their attainment can

be measured. Example for BBA program there can be different courses like Financial Accounting, Marketing Management, Cost Accounting etc. For each of the courses the outcome must be determined. These are identified usually as CO1, CO2.CO3 etc. In nutshell course outcome helps to achieve program outcome.

It is important to understand that CO and PO are framed at the beginning of a semester while attainment of CO and PO should be measured at the end of the semester.

Different colleges/universities have different methods to calculate the attainment of CO and PO. The present paper discusses and suggestsa procedure that can be adopted by a college/university to measure the attainment of course outcome and program outcome in quantitative terms by taking hypothetical example.

A sample of PO and CO in the BBAprogram is given in the annexture.

2. Discussion:

The alignment/mapping of PO and CO can be explained with help of an example.

The entire discussion in this section has been categorized as below:

- 2.1 To compute the attainment of CO (Course Outcome)
- 2.2 Alignment /Mapping of PO (program outcome) and CO (Course Outcome)
- 2.3 Graphical Representation of PO and CO

attainment

Assumption:

Let us assume that for the BBA (Bachelor of Business Administration) program run by a college it has 5 (Five) program outcomes:PO1, PO2, PO3, PO4 and PO5.

One of the courses the college runs under BBA is Financial Accounting which is in fact having 4(four) CO (Course Outcome): CO1, CO2,CO3 and CO4.

The college is having 1(one) Midterm exam (of 20 marks) and 1(one) End Term exam (of 50 marks) for the course on Financial Accounting.

Let us further assume that there are 10 students for the Financial Accounting course.

2.1 Computation of attainment of CO

2.1.1 To compute the % attainment of CO for End Term exam:

The end term exam consist of total of 50 marks with 10 marks for each of Question 1 to 5. On further investigation it is found that

CO1 is represented by Q 1, 2 and 3

CO2 is represented by Q 1,2 and 5

CO3 is represented by Q 2,3 and 4

CO4 is represented by Q 4 and 5

Table 1 represents the marks obtained by 10 students in the end Term exam from Q1 to 5

Table 1 is given below:

Roll no	Name of the student	Q1 (10)	Q2(10)	Q3(10)	Q4(10)	Q5 (10)	Total (50)
1	A	5	6	8	9	4	32
2	В	4	7	8	6	5	30
3	С	2	8	9	4	8	31
4	D	5	5	7	6	4	27
5	Е	4	5	6	2	0	17
6	F	7	9	5	4	8	33
7	G	9	4	6	7	3	29
8	Н	9	4	7	6	8	34
9	I	4	8	9	5	6	32
10	J	8	9	5	4	7	33

Source: Compiled by author from hypothetical figures

Table 2 represents the percentage attainment of CO

Table 2 is given below:

Name of the student	CO1	CO2	CO3	CO4
A	0.63	0.50	0.77	0.65
В	0.63	0.53	0.70	0.55
С	0.63	0.60	0.70	0.60
D	0.57	0.47	0.60	0.50
Е	0.50	0.30	0.43	0.10
F	0.70	0.80	0.60	0.60
G	0.63	0.53	0.57	0.50
Н	0.67	0.70	0.57	0.70
I	0.70	0.60	0.73	0.55
J	0.73	0.80	0.60	0.55
Average	0.64	0.58	0.63	0.53

Source: Computed by author from hypothetical figures in Table 1

How the % is computed?

Say for Student A under CO1 is 0.63(63%): CO1 represents Q 1,2 and 3 as mentioned. Hence the percentage will be (5+6+8)/30 = 0.63

Student A under CO2 is 0.50(50%): CO2represents Q 1,2 and 5 as mentioned. Hence the percentage will be (5+6+4)/30 = 0.50

Student A under CO3 is 0.77(77%): CO3 represents Q 2,3 and 4 as mentioned. Hence the percentage will be (6+8+9)/30 = 0.77

Note: in the above computation 30 are the total marks of the three questions and the percentages are reduced to 2 decimal places.

Similarly, other percentages are computed.

The averageattainment of CO1, CO2, CO3 and CO4 for end term exams is done at the end of Table 2.(CO1=64%,CO2=58%,CO3=63% and CO4=53%)

2.1.2 To compute the % attainment of CO for Mid Term exam:

The midterm exam consists of 4 questions of 5 marks each (Q1 to Q4)

On further investigation it is found that

CO1 is represented by Q 1 and 2

CO2 is represented by Q 2 and 3

CO3 is represented by Q 2 and 4

CO4 is represented by Q 4

Table 3 represents the midterm marks obtained by 10 students from Q1 to 4

Table 3 is given below:

Roll no	Name of the student	Q1(5marks)	Q2(5marks)	Q3(5marks)	Q4(5marks)	Total (20)
1	A	3	3	5	3	14
2	В	3	4	4	3	14

3	С	5	3	3	2	13
4	D	2	4	3	4	13
5	Е	4	3	2	4	13
6	F	2	5	4	3	14
7	G	3	4	3	2	12
8	Н	2	3	4	5	14
9	I	4	2	3	4	13
10	J	2	1	4	4	11

Source: Compiled by author from hypothetical figures

Table 4 represents the attainment of CO

Table 4 is given below:

Name of the student	CO1	CO2	CO3	CO4
A	0.60	0.80	0.60	0.60
В	0.70	0.80	0.70	0.60
С	0.80	0.60	0.50	0.40
D	0.60	0.70	0.80	0.80
Е	0.70	0.50	0.70	0.80
F	0.70	0.90	0.80	0.60
G	0.70	0.70	0.60	0.40
Н	0.50	0.70	0.80	1.00
I	0.60	0.50	0.60	0.80
J	0.30	0.50	0.50	0.80
Average	0.62	0.67	0.66	0.68

Source: Computed by author from hypothetical figures in Table 3

How the % is computed?

Say for Student A under CO1 is 0.6: CO1 represents Q 1 and 2 as mentioned. Hence the percentage will be (3+3)/10 = 0.6 (60%)

Student A under CO2 is 0.80: CO2 represents Q 2 and 3 as mentioned. Hence the percentage will be (3+5)/10 = 0.80 (80%)

Student A under CO3 is 0.6: CO3 represents Q 2 and 4 as mentioned. Hence the percentage will be (3+3)/10 = 0.60 (60%)

Note: in the above computation 10 are the total marks of the two questions.

Similarly, other percentages are computed.

The average attainment of CO1, CO2, CO3 and CO4 for mid-term exams is done at the end of Table 4. (CO1 = 62%, CO2=67%, CO3=66%, CO4=68%)

2.1.3 Final Attainment of CO (taking both end term and mid-term)

The averages of the attainment of CO1, CO2, CO3 and CO4 for both end term and mid-term exams are reflected in Table 5. Table 5 reflects the final attainment of CO.

Table 5 is given below:

Exam	CO1	CO2	CO3	CO4	Average
Mid-term (30%)	0.62	0.67	0.66	0.68	
End Term (70%)	0.64	0.58	0.63	0.53	
Final Attainment	0.63	0.61	0.64	0.58	0.61

Source: Compiled by author from Table 2 and 4

It can be observed from Table 5 the weightage of Midterm is assumed to be 30% and End term exam is 70% as per the policy of the college.

Thus, for CO1 = 0.62*30% + 0.64*70% = 0.63 = 63%

Similarly for CO2 = 0.67*30% + 0.58*70% = 0.61 = 61%

Findings of Finalattainment of CO (Course Outcome)

It can be observed that % of attainment of CO3 is the best followed by CO1,CO2 and CO4. The average of the CO Attainment of all the 4 CO(Course Outcome) of Financial Accounting is 0.61 or 61% which is quite decent.

2.2 Alignment/Mapping of PO and CO

The teacher needs to determine the correlation between the PO and CO. It needs to investigate how much each CO has been able to correlate itself with PO.

Let us assume that on a scale of 3

3 represents Correlation above 70% (CO has been able to highly correlate with the PO)

2 represents Correlation between 55% and 70%

1represents Correlation between 40% to 55%

0 represents Correlation below 40% (very low correlation)

Table 6 reflects the relationship between course outcome (CO1,CO2,CO3 and CO4) and Program Outcome (PO1,PO2,PO3,PO4 and PO5) to calculate the attainment of POs.

Table 6 is given below

	Weights	PO1	PO2	PO3	PO4	PO5
CO1	0.63	2	3	2	1	1
CO2	0.61	2	2	3	3	1
CO3	0.64	1	2	3	3	2
CO4	0.58	1	1	2	3	3
	Weight* scale	3.7	4.97	6.17	6.12	4.26
	sum of the scales	6	8	10	10	7
	Percentage of Attainment	0.617	0.621	0.617	0.612	0.609

Source: Computed by author from hypothetical figures in Table 5 and the scales provided by the teacher

In Table 6 it can be observed average attainment of PO1 is 61.7%, PO2 is 62.1%, PO3 is 61.7%, PO4 is 61.2% and PO5 is 60.09%.

In the above table % attainment of PO = (Weight*scale)/sum

Example for PO1 = (0.63*2+0.61*2+0.64*1+0.58*1)/(2+2+1+1) = 0.617(61.7%).

Weight is the average attainment of CO1, CO2, CO3 and CO4 from Table 5.

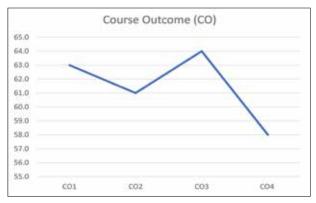
It can be observed that % of attainment of PO2 is the best followed by other POs.

2.3 Graphical Representation of PO and CO attainment

2.3.1 Average CO Attainment (%):

CO1	CO2	CO3	CO4
63.0	61.0	64.0	58.0

Source: Compiled from Table 5



2.3.2 Average PO Attainment

PO1	PO2	PO3	PO4	PO5
61.7	62.1	61.7	61.2	60.9

Source: Compiled from Table 6



3. Conclusions:

An effort has been made in this paper to understand the significance of PO and CO in designing the curriculum of an academic or professional course. A hypothetical example has been taken to investigate the ways by which the attainment of PO and CO can be calculated which will give an overall picture if the syllabus for the subjects has been framed in aneffective manner. It also reflects the performance of the teacher taking those subjects which ultimately reflects on the performance of the college/university.

The paper suggests ways to calculate the attainment of PO and CO which can be extended

to different batches for all the subjects in the program/s. The deviation if any can be pointed out and immediate steps can be taken to plug this deviation and increase the overall effectiveness of the college/university. The exercise will also ultimately help the students at large as they require a lot of skill-based courses in this era which will ultimately help them to be prepared for the corporate world.

Implication for PO and CO in CMA programme

The CMA (Cost and Management accounting course) is a very prestigious program offered by the Institute of Cost Accountants of India. As discussed in the previous section there is a need to integrate the PO and CO in the curriculum of both academics and professional courses. The integration of the PO and CO in syllabus of professional program like CMA will definitely add value to the program and also integrate the program with NEP, 2020. With UGC granting CMA program with equivalence status to Master Degree program the need to integrate the CO and PO in the curriculum would actually be beneficial in long run.

The PO in CMA program will help the students who are willing to pursue the course understand the objective of pursuing the course and the benefit he/she will derive from the course. They will understand how the course is differentiated from the other professional courses in India and also will help them to align their career objectives with the course. In fact, the CO should be properly defined for the all the courses at Foundation, Intermediate and Final level so that the students should be clear about the objectives of the different courses included in the syllabus. It will further give a bigger picture to the institute whether the course outcome has been able to fulfil the program outcome and both of them can be aligned accordingly. Any sort of drawbacks can be located and steps can be taken to plug the loopholes if any observed.

So, we can definitely say that the PO and CO proposed under NEP 2020 assumes significant importance for professional courses like CMA being a very dynamic and skill-based program.

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Annexture:

A sample of PO and CO

Program: BBA (Bachelor of Business Administration)

PO (Program Outcome)

Program Outcome	Details
PO1	The program enables students to acquire knowledge and skills required by Business and Industry
PO2	The program provides the right nurturing ground for students to pursue their entrepreneurial ambitions.
PO3	The curriculum is industry driven and facilitated by experienced faculty and follows a contemporary take and emphasizes on offering an overview to launch and manage a business effectively.
PO4	The curriculums is extremely varied in nature. From writing skills, negotiation and dispute resolution, human resource management, business laws, marketing management, production management, social media and digital marketing – all are imbibed in the students with theoretical study and practical application.
PO5	This ensures that our students acquire knowledge of quantitative, qualitative techniques as well as a thorough understanding of the field.

Source: Chhatrapati Shahu Ji Maharaj University, Kanpur

Course in BBA: Financial Accounting

CO (Course Outcome)

Course Outcome	
CO1	Define [L1: Knowledge] different concepts of Accounting (National and International) and other key notions.
CO2	Describe [L2: Comprehension] and outline the purpose and generalize various concepts using examples
CO3	Apply [L3: Application] different methodologies to implement various techniques of accounting at different levels of problems faced by businesspeople
CO4	Analyze [L4: Analysis] different types of accounts to understand various types of structures to solve real world business problems.

Source: Chhatrapati Shahu Ji Maharaj University, Kanpur

BRIDGING THE GAP: FINANCIAL LITERACY & DIGITAL SKILLS AS DETERMINANTS OF INVESTMENT BEHAVIOUR OF WOMEN

Abstract

The study examines the role of digital skills and financial literacy in influencing the investment behaviour of females in the present-day era. It assesses important factors that impact respondent's financial decision-making processes through a detailed primary survey. As members of an enlightened community with greater awareness, knowledge, and access to resources, female academicians are the key subjects of this study. They were chosen as the study's target respondents to reflect a knowledgeable and aware subset of female community. The study's conclusions might not apply to other demographic groups as they will only describe the investment habits of female academicians. The impact of digital competence and financial awareness on investing habits is assessed using logistic regression analysis. The results emphasise on the importance of digital competency and financial literacy in enabling women in making informed investment decisions and the need for focused efforts to improve these abilities.



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Introduction

n individual's investment behaviour and decisions reveal how they plan to manage and distribute their financial resources to achieve their long-term objectives. Research shows that the number of female investors has increased by 42%. Compared to males, they typically save 5% more for their

future objectives. Numerous socioeconomic and individual characteristics, such as digital skills and financial literacy, influence a woman's investment preferences. In today's increasingly digitalised financial ecosystem, the capacity to comprehend financial products and effectively implement digital platforms is vital for encouraging people to make informed investment choices. Digital skills are

essential for identifying investment opportunities and navigating online financial services. They include the ability to use digital platforms and tools. This study focusses on women's investment behaviour and seeks to identify the various elements that affect their financial judgement. Since they are crucial for navigating the complexities of modern investing opportunities, digital skills and financial literacy take front stage in the study.

Literature Review

Behavioural Finance

In the journal Econometrica, (Tversky & Kahneman, Prospect Theory: An Analysis of Decision under Risk, 1979) introduced the world to their novel "Prospect Theory," which completely altered the way that investment decision-making was seen and further contested the rationality argument. The proponents of rational decision making had never acknowledged the behavioural patterns that Prospect Theory had uncovered. These trends are attributed by Kahneman and Tversky (Tversky & Kahneman, Prospect Theory: An Analysis of Decision under Risk, 1979) in their remarkable study to two human shortcomings: emotions and a lack of comprehension or cognitive challenges. Findings from several studies, both experimental and non-experimental, shows consistent patterns of irrationality, inconsistency, and incapacity in how people make decisions and choices amid ambiguity(Bernstein, 1996).

Financial literacy and women

(Lusardi & Mitchell, Financial literacy and retirement planning in the United States (No. w17108)., 2011) argued that one very important aspects of economic progress is financial literacy, which cannot be emphasised enough. Investigating the strong association between women's economic empowerment and financial literacy is vital. Women know they are comparatively less financially knowledgeable than men.(Kamboj, 2014).(Hung, Yoongv, & Brown, 2012) surveyed previous research on gender inequalities in financial literacy worldwide and observed that women are under confident in their financial skills and are less knowledgeable of financial aspects than

males. Women seem to be reluctant in spending their money and are less likely to participate in financial education (Lusardi & Mitchell, Planning and financial literacy: How do women fare?, 2008).

Financial Knowledge

An individual's perception of financial concepts, principles, and instruments which promote wellinformed financial decision-making is referred to as financial knowledge. Budgeting, credit management, taxes, saving, investing, inflation, risk diversification, and financial products including stocks, bonds, and insurance are some of the subjects it covers. One of the vital elements of financial literacy is financial knowledge, which empowers people to handle their personal and professional finances effectively. In the studies conducted by (DWINTA, 2010) it has been demonstrated empirically that financial decision making is significantly influenced by financial knowledge.

Financial attitude

Through their effect on risk tolerance, financial attitudes have a major impact on an investor's risk capacity. Studies show that risk tolerance, or the psychological comfort with risk, is strongly related to individual attitudes and experiences, but risk capacity, or the financial ability to withstand losses without compromising one's way of life, is dependent on objective criteria like income, assets, and financial stability. Higher risk investments are frequently taken on by investors who are inherently more risk-tolerant or who have a positive outlook on money. On the other hand, people with conservative financial attitudes may still favour lower-risk options while having a high financial capacity because they place a higher value on capital preservation than possible returns.(Hyll & Irrek, 2015). The study by (Fenton-O'Creevy & Furnham, 2022)looks at how financial attitudes and financial views can affect financial outcomes and wealth building.

Digital skills

Fundamental computer literacy is only one aspect of the concept of digital skill. It includes skills like

critical analysis of digital content, information literacy, and the ability to access, understand, and use digital data to make decisions. (Hargittai, 2010)(Helsper && Eynon, 2010). (Van Dijk, 2020) emphasised that digital skills encompass both technological expertise and cognitive capacities that help people understand and act upon the vast amounts of online information that are accessible. Investors that possess digital skills are better equipped to use these platforms, allowing for faster assimilation of market data and more informed decision-making.

Research gap

Although there are substantial studies on financial literacy and its significance in nurturing an individual's investment behaviour, researches that integrate digital skills as a complimenting element remain scarce. The rapid digitalization of financial services has transformed the investment landscape, making digital skills an essential component of informed decision-making. However, the interplay between financial literacy and digital proficiency in influencing investment behaviour, especially among female investors, remains underexplored. Furthermore, most existing studies on investment behaviour are either gender-neutral or maledominated, neglecting the unique challenges and opportunities faced by female investors.

Research objectives

- 1. To study the effects of level of financial literacy and digital skills of the respondents on their investment behaviour.
- 2. To assess the overall perception of females towards financial investment.

Research methodology

To investigate how digital skills and financial literacy influence the investment behaviour of female investors in the Kolkata region, this study used a quantitative research approach. A well-structured questionnaire was used to gather primary data. The investment behaviour, financial literacy and digital skill responses were tested for internal consistency using Cronbach alpha (Table 1). Median strategy was used to normalise the gathered data to ensure consistency. By addressing possible outliers, this normalisation procedure ensured the data was suitable for statistical analysis.

To investigate the association between investment behaviour, digital skills, and financial literacy, logistic regression was used. Since the dependent variable in this study, investment behaviour, is categorical, logistic regression was considered appropriateaslogistic regression aids in calculating the likelihood that an outcome would occur based on these predictors. Its ability to estimate odds ratios also provides insights into the strength and direction of these associations.

Data analysis & interpretation

Reliability Test

Table 1: Cronbach's Alpha		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.772	.777	5

Regression models and data

Model 1

Financial Literacy & Risk Capacity

 $RCi = \alpha + \beta 1FK + \beta 2FA + \beta 3FB$

RC_i= 1, if the normalised value >= median score

= 0, otherwise

And FK, FA, FB are the independent variable

Where FK is Financial Knowledge

FA is Financial Attitude

FB is Financial Behaviour

Since, RC₁ is a binary dependent categorical variable so we cannot apply OLS here.

Therefore, we proceed for Logit Regression.

The estimated equation is-

$$RCi = -7.542 - 0.892FK + 13.108 FA - 7.542FB$$

(.768) (.000) (.732)

Table 2: Variables in the Equation

		B S.E.	S.E.	Wald	df	G:-	E(D)	95% C.I.for EXP(B)	
	Б	S.E.	walu	uı	Sig.	Exp(B)	Lower	Upper	
G. 12	FK	892	3.025	.087	1	.768	.410	.001	153.840
	FA	13.108	3.536	13.745	1	.000	493010.105	482.306	503951552.234
Step 1 ^a	FB	921	2.690	.117	1	.732	.398	.002	77.548
	Constant	-7.542	1.945	15.034	1	.000	.001		

a. Variable(s) entered on step 1: FK, FA, FB

- a. Financial knowledge: The knowledge aspect seemed to not play a vital role in impacting the risk capacity of female investors which is also supported by previous studies by (Grable J. E., 2017) & (Ryack, 2016)which don't demonstrate that financial knowledge and risk capacity are directly related, suggesting that financial knowledge may not have a substantial impact on a person's actual capacity to take financial risk.
- b. Financial attitude: Probability of undertaking informed risk of the respondents rises as odds of these respondents saving for the future rises as cited by (Rajasekar & Pillai, 2023) risk capacity moderates the relationship between personality traits and investment attitudes. This implies that an individual's financial attitude can influence their risk capacity, as those with a positive financial attitude may be better equipped to handle financial risks. In other words, for one unit rise in the level of Financial Attitude, there is a likelihood that the Risk Capacity of the respondents will rise by 4.9 x 10⁵ (approx.) times. **Table 2**
- c. Financial behaviour: The finding does not establish the existence of any significant relationship between the financial behaviour of female investors and their capacity to take risk which is also supported by the study by (Brenneman & Goodyear, 2021) which emphasizes that while behavioural factors significantly impact risk tolerance, risk capacity is determined by objective financial circumstances and obligations, suggesting that financial behaviour may not have a direct association with individual's risk capacity. Table 2

Model 2

Financial Literacy & Investment Strategy

$$ISi = \alpha + \beta 1FK + \beta 2FA + \beta 3F\beta$$

And FK, FA, FB are the independent variable

Where FK is Financial Knowledge

FA is Financial Attitude

FB is Financial Behaviour

Since, IS is a binary dependent categorical variable so we cannot apply OLS here.

Therefore, we proceed for Logit Regression.

The estimated equation is-

$$ISi = -4.220 - 0.681FK + 5.631 FA + 8.758 FB$$

(.758) (.040) (.017)

Table 3: Variables in the Equation

		В	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
	Lower							Upper	
C4 1a	FK	681	2.214	.095	1	.758	.506	.007	38.750
	FA	5.631	2.747	4.203	1	.040	279.073	1.281	60795.644
Step 1 ^a	FB	8.758	3.674	5.682	1	.017	6363.672	4.745	8534495.309
	Constant	-4.220	1.611	6.863	1	.009	.015		

a. Variable(s) entered on step 1: FK, FA, FB.

Observations

- a. Financial knowledge: Investment strategy of the respondents is assessed by their choice of preferred sources of investment related information. The results of the study established no significant association between the financial knowledge and investment strategy of female investors. Table 3
- b. Financial attitude: The results reveal the existence of a positive relationship between the financial attitude of the female investors and their investment strategy. For one unit rise in the level of Financial Attitude, there is a likelihood that the Investment Strategy of the respondents will rise/improve by 2.7 x 10² (approx.) times. It is implied that if the level of Financial Attitude of the respondents as reflected by (their saving and spending choices/pattern) is on the rise the chance of having a better investment strategy is high. **Table 3**
- c. Financial behaviour: For one unit rise in the level of Financial Behaviour, there is a likelihood that the Investment Strategy of the respondents will rise/improve by 6.3 x 103 (approx.) times. The level of Financial Behaviour of the respondents as reflected by (their saving and spending choices/pattern) being on the rise suggests the chances of having a better investment strategy. **Table 3**

Model 3

Digital skills & Risk Capacity

$$RCi = \alpha + \beta 1DS$$

RC_i= 1, if the normalised value >= median score

= 0, otherwise

And DS is the independent variable.

Where, DS is Digital Skills.

Since, RCi is a binary dependent categorical variable so we cannot apply OLS here.

Therefore, we proceed for Logit Regression.

The logistic estimated equation is-

$$RCi = -8.396 + 10.142 DS$$

$$(.000)$$

Table 4: Variables in the Equation

		B S.E.	SF	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
			S.E.	Walu				Lower	Upper
Step 1 ^a	Q20_DS	10.142	1.728	34.466	1	.000	25387.505	859.265	750089.579
	Constant	-8.396	1.562	28.908	1	.000	.000		

a. Variable(s) entered on step 1: Q20 DS.

Observations

Digital Skills: Individuals level of digital skills is assessed by examining the level of their digital proficiency. For one unit rise in the level of Digital Skills of the respondents, there is a likelihood that the Risk Capacity of the respondents will rise by 2.5 x 10⁴ (approx.) times. Implying that if the digital skills of the female investors as reflected by their (improved digital proficiency) is on the rise then the chances of having a better/informed risk appetite is also high. **Table 4**

Model 4

Digital skills & Investment Strategy

$$ISi = \alpha + \beta 1DS$$

IS = 1, if the normalised value >= median score

= 0, otherwise

And DS is the independent variable.

Where, DS is Digital Skills.

Since, IS, is a binary dependent categorical variable so we cannot apply OLS here.

Therefore, we proceed for Logit Regression.

The logistic estimated equation is-

$$ISi = -2.115 + 5.672DS$$
 (.000)

Table 5: Variables in the Equation

		D	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
		В						Lower	Upper
Step 1 ^a	Q20_DS	5.672	1.262	20.202	1	.000	290.515	24.494	3445.719
	Constant	-2.115	.781	7.337	1	.007	.121		

a. Variable(s) entered on step 1: Q20 DS.

Observations

Digital Skills: For one unit rise in the level of Digital Skills of the respondents, there is a likelihood that the Investment strategy of the female investors will improve by 2.9 x 10² (approx.) times. **Table 5**

CONCLUSION AND RECOMMENDATIONS

With an emphasis on risk capacity and investment strategy, this study investigates how women's investing behaviour is influenced by their digital and financial literacy. The results cast doubt on the widely held belief that investment decisions are only influenced by financial expertise. Women with higher digital skills show greater confidence in assessing and managing investment risks, as well as in formulating structured investment strategies. These findings highlight the critical influence of digital skills, which significantly impact both key

aspects of investment behaviour.

These observations highlight the necessity of financial education initiatives that emphasise the development of sound financial attitudes and practices rather than merely teaching academic information.

Drawing from the study's conclusions that digital skills and financial literacy have a major influence on female academics' investment behaviour, the following useful suggestions can improve digital literacy and financial education initiatives:

- a. Workshops and Seminars for Institutional Financial Literacy Programs: Regular seminars on risk management, investment strategies, and financial planning should be held at colleges and universities.
- b. Integration into Curriculum: Programs for faculty training should include foundational financial literacy courses.
- c. Tech-Savvy Investment Skills: Offer hands-on training on using digital investment platforms, mobile banking, and online trading tools.
- d. Cyber security Awareness: Provide female academics with information on data protection, fraud avoidance, and safe online transactions.
- e. AI and FinTech Exposure: Introduce new financial technologies like algorithmic trading, blockchain, and robo-advisors.
- f. Subsidised Financial Course: Partner with financial institutions to provide free or heavily discounted personal finance certification courses.
- g. Mentorship Programs: Collaborate with financial professionals to offer customised advice for prudent investment decisions.
- h. Incentive for Participation in Financial awareness programs: Provide financial incentives, certificates, or academic credits to promote involvement in these programs.

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Down The Memory Lane

2015





CMA (Dr.) S C Mohanty, Immediate Past President, CMA T CA Srinivasa Prasad, Central Council Member and other eminent dignitaries at the SAFA Board Meeting held at Bengaluru

May, 2005





Launching of ICWAI E-Learning System: A group photo with P.C Gupta, Hon'ble Union Minister of Company Affairs



Inauguration of advance course on Cost Analysis for the Ministry of Defence, Government of India during 15-19 May 1995 at New Delhi

Seen in the picture sitting from left: D.C. Bajaj, Harijiban Banerjee, S.A. Rahman, OSD and Director, National Institute of Financial Management, J.K. Puri, Rama Kashinath, Director, PD & P, ICWAI, along with participants

Down The Memory Lane

May, 1985



Seminar on "Tax Planning is not Tax Evasion" on 18th May, 1985 organized by the Pune Management Association and Pune Chapter of Cost Accountants at Pune on 18th May 1985

Speaking: Shri H.M. Damania, (L. to R.): S/Shri M.B. Chavare, M.K. Kanade, V.G. Dadhe

One-day workshop on ancillary industries' need and opportunities, 5th May 1985 at Hotel Dolphin, Visakhapatnam



Shri K.R.S Sastry, Vice Chairman of the Chapter is welcoming the guests.

Shri D.S. Grewal, Chairman of the Chapter and Vice-Adml. K.R. Menon, Chief Guest are sitting on the dais

May, 1975



Inauguration of Seminar on "Management of Public Sector Enterprises-Orissa" conducted by the Cuttack-Bhubaneswar Chapter of Cost Accountants at the College of Accountancy and Management Studies, Cuttack, on 10th May, 1975, which was inaugurated by Hon'ble Shri K.C. Lenka, Minister of Industries Orissa

Sitting L to R: Shri N.K. Bose, Padmabhushan Radhanath Rath, M.L.A and Editor "The Samaj", Hon'ble Shri K.C. Lenka, Minister of Industries, Orissa, Prof. R.N.Misra, Principal & Chairman of Cuttack-Bhubaneswar Chapter of Cost Accountants. Speaking at the Mike: Shri C. Raghunadham, Secretary, Cuttack-Bhubaneswar Chapter of Cost Accountants

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

NEWS FROM THE INSTITUTE

EASTERN INDIA REGIONAL COUNCIL

BHUBANESWAR CHAPTER

Industry Training Programme Inaugurated

10-day industry-oriented training programme for the June 2025 term examination commenced on March 27th, 2025. The inauguration featured CMA Prasanta Kumar Patra, CMA Sarat Kumar Patra, and CMA Laxmidhar Sahoo. CMA Ramesh Chandra Patra, CMA Barada Prasan Nayak, and CMA Avinash Kotni were also present.

Industry Training Programme Concludes

The valedictory session of the 10-day industry-oriented training programme for the June 2025 term examination took place on April 5th, 2025. CMA Prabhata Kumar Subudhi and CMA Basanta Kumar Pattnaik attended as special guests.

Career Awareness at Kendriya Vidyalaya

CMA Career Awareness Programme was conducted at Kendriya Vidyalaya, Bhubaneswar on April 15th, 2025. Commerce students showed great interest as CMA Ramesh Chandra Patra and CMA Avinash Kotni discussed the CMA course and career opportunities. Shri Aurobinda Sahoo encouraged students to consider professional courses like CMA.

IIM-Ahmedabad Interaction on Viksit Bharat @ 2047

A special interaction session was held on April 6th, 2025, between IIM-Ahmedabad and MC Members, members, students, industry representatives, and other stakeholders of the Bhubaneswar Chapter to discuss the vision of Viksit Bharat @ 2047. Senior Professors from IIM-Ahmedabad, Prof. Amit Karna and Prof. Viswanath Pingali participated in the session.

Health Awareness Programme on Lifestyle Disorders

ICMAI-Bhubaneswar Chapter hosted a health awareness programme on "Lifestyle Disorder Diseases and its Management for Healthy Body and Mind" on Sunday, April 13th, 2025, at CMA Bhawan, Bhubaneswar. Dr. Subash Chandra Sarangi spoke on natural management of lifestyle disorders, Shri Bijay Kumar Pusti discussed naturopathy's impact, and Dr. Reetajalli Pradhan addressed healthy food habits.

CMA Nilamani Mohapatra moderated the event, with the presence of CMA Ramesh Chandra Patra, CMA Sarat Kumar Behera, and CMA Soumy Ranjan Jena.

NRL Campus Placement Held

Numaligarh Refinery Limited (NRL) conducted a campus placement programme at ICMAI-Bhubaneswar Chapter on April 25th, 2025.

Investor Awareness Programme on Securities Market

An Investor Awareness Programme on "Introduction to Securities Market - Advance" was organized on April 24th, 2025, in collaboration with the BSE Investor Protection Fund (BSE IPF) and the Securities and Exchange Board of India (SEBI). Shri Joy Agarwal (AGM, SEBI Kolkata) and Shri Soumya Ranjan Sahoo (BSE IPF) were the resource persons. CMA Ramesh Chandra Patra, CMA Sarat Kumar Behera, and CMA Soumy Ranjan Jena were present.

ICMAI Bhubaneswar Celebrates 56th Annual Function "संवर्धनम्-२०२५: ज्ञानभी। गौरवभी।"

Bhubaneswar Chapter successfully held its 56th Annual Function on April 27th, 2025, at CSIR – IMMT Auditorium, Bhubaneswar, centred around the theme "संवर्धनम्-२०२५ः ज्ञानभी। गौरवभी।". A blood donation camp was organized to mark the event, collecting 66 units of blood.

The inaugural session was graced by Ambassador Dr. Deepak Vohra, CMA Gagan Bihari Swain, CMA Avijit Goswami, CMA Subhasish Chakraborty, CMA Damodara Mishra, CMA Ramesh Chandra Patra, CMA Avinash Kotni, and CMA Barada Prasan Nayak. A souvenir was released, and All India Rank holders were awarded.

In the technical session, Ambassador Dr. Deepak Vohra delivered a motivational address. CMA Avinash Kotni welcomed the guests, and CMA Sarat Kumar Behera and CMA Surya Narayan Tripathy shared insights on professional growth.

The valedictory session featured Shri Suryabanshi Suraj (Hon'ble Minister), CMA Gagan Bihari Swain, and CMA Pravakar Mohanty, who conferred awards including the Young Cost Accountant Award and several memorial awards, as well as prizes for debate and quiz winners and students who qualified in the June and December 2024 terms. The 18th Volume of the Chapter's Newsletter was also released.

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The evening concluded with a cultural programme performed by the students. Over 800 participants, including students, members, and stakeholders attended the successful event.

SOUTH ODISHA CHAPTER

Evening Talk on CSR & Corporate Governance

The Chapter organized an evening talk on March 21,

2025, at their Conference Hall on "CSR & Corporate Governance – The Role of CMAs." CMA Jagadananda Nayak, Dy. General Manager (F & A), IREL (India) Limited, was the chief speaker. CMA Narasingha Chandra Kar, Chairman, welcomed the attendees and inaugurated the seminar. CMA Ashwini Kumar Patro and CMA Benumadhab Nayak also spoke on the topic. CMA Ashwini Kumar Patro delivered the vote of thanks.

Glímpses of Eastern Indía Regional Council



Bhubaneswar Chapter



Bhubaneswar Chapter



Bhubaneswar Chapter



Bhubaneswar Chapter



South Odisha Chapter



South Odisha Chapter

NORTHERN INDIA REGIONAL COUNCIL

NIRC Hosts "CMA-PSU Connect"

The Northern India Regional Council (NIRC)

successfully organized "CMA - PSU Connect -Standing in Current Policies, Challenges and Way Forward" on Friday, April 25th, 2025, at CMA Bhawan, New Delhi.

Glimpses of Northern India Regional Council



Northern India Regional Council

Northern India Regional Council

SOUTHERN INDIA REGIONAL COUNCIL

BENGALURU CHAPTER

PF Programme on AI

The Bengaluru Chapter organized a PF Programme titled "Make AI your new Assistant" on April 5th, 2025. The resource person was Mr. Raghavendra S P, and the event was attended by CMA (Dr.) Abhijeet S Jain (Chairman BCCA), CMA Santosh Kalburgi (Treasurer BCCA), and CMA Vishwanath Bhat (Chairman SIRC).

Blood Donation Camp

The Bengaluru Chapter organized a "Blood Donation Camp" on April 10th, 2025. Attendees included CMA (Dr.) Abhijeet S Jain (Chairman BCCA), CMA Rajesh Devi Reddy (Secretary), CMA Santosh Kalburgi (Treasurer BCCA), CMA Raghavendra B K, CMA Vishwanath Bhat (Chairman SIRC), and CMA Suresh Gunjalli, Council Member.

PF Programme on Income Tax Bill 2025

The Bengaluru Chapter held a PF Programme on April 26th, 2025, featuring a "Discussion on The Income Tax Bill 2025." The resource persons were Mr. Vishal Kumar S and Mr. Sunil Bhat. Attendees included CMA (Dr.) Abhijeet S Jain (Chairman BCCA), CMA Rajesh Devi Reddy (Secretary), CMA Santosh Kalburgi (Treasurer BCCA), and CMA Girish K (Treasurer SIRC).

Career Counselling at Chanakaya University and NMKRV College

On April 26th, 2025, CMA (Dr.) Abhijeet S. Jain, Chairman of the Bengaluru Chapter, conducted a Career Counselling session at the School of Management Science, Chanakaya University in Bengaluru.

Separately, on the same day, Career Counselling was also conducted at NMKRV College in Bengaluru as part of the Hindu Education plus Career Counselling 2025 Karnataka.

COIMBATORE CHAPTER

PDP on Power Pricing

On April 12th, 2025, the chapter held a professional development programme on "Power Pricing – Transforming the Bottom Line." The speaker was CMA (Dr.) A.K.S.Sukumaran.

MOU with St. Joseph College, Tiruppur

On April 5th, 2025, the chapter signed an MOU

INSTITUTE NEWS

with St. Joseph College of Arts and Science, Tiruppur, for conducting the foundation course. Chairman CMA (Dr.) R. Maheswaran also gave an orientation on the CMA course to around 80 students.

Career Awareness at Avinashilingam Institute, Coimbatore

A Career Awareness Programme on the CMA Course was held at Avinashilingam Institute for Home Science and Higher Education for Women on April 16th, 2025. Chairman CMA (Dr.) R. Maheswaran explained the CMA course and its benefits to around 50 students.

CAT Program for Defence Personnel Launched

On April 21st, 2025, the Coimbatore Chapter inaugurated the Certificate in Accounting Technicians (CAT) Course for Ministry of Defence officials. The inauguration was attended by Gp Capt S. Selvakumar, CMA TCA Srinivasa Prasad, Vice President of the Institute, CMA Rajesh Kumar Jain, and CMA Suresh R. Gunjali, Council Member who highlighted the program's importance for postretirement careers.

Industrial Visit to Roots Industries

On April 26th, 2025, around 70 students from the 99th Session Oral Coaching visited Roots Industries, Thoppambatti, Coimbatore. Mr. Sampathkumar, Head (Training), provided an overview of the manufacturing operations.

Knowledge Camp at Bhavanisagar Dam, Sathyamangalam

The chapter also organized a Knowledge camp at Bhavanisagar Dam, Sathyamangalam.

THRISSUR CHAPTER

Webinar on Faceless Assessments

The Thrissur Chapter organized a webinar on "PROCEDURE FOR ASSESSMENT INCLUDING CHALLENGES & OPPORTUNITIES IN FACELESS ASSESSMENTS" on Saturday, March 1st, 2025. CMA C. N. Narayanan delivered the welcome speech, CMA Praveen Kumar inaugurated the programme, and CMA Vinod TV felicitated it. CACV Rajan led the technical session. CMAPV Antony gave the vote of thanks.

Pre-placement Programme and Felicitation

The chapter successfully conducted an 11-day Pre-placement Orientation Programme (PPOP) from March 10th to 20th, 2025, for 149 newly qualified CMAs from the Dec 2024 term. Around 20 industry experts led the sessions, which received positive feedback. The valedictory session on March 20th featured a Grand Felicitation ceremony at Regional Theatre, Thrissur, honoring the 150 new CMAs. CMA Sreepriya K welcomed the audience, and CMA Vishwanath Bhat inaugurated the event in the presence of CMA Praveen Kumar, CMA Sreepriya K, CMA O. Balakrishnan, and CMA Vinod T V. Mementos and certificates were awarded. The ceremony was attended by around 600 people, and CMA Vinod T V concluded with the vote of thanks.

Glimpses of Southern India Regional Council



Bengaluru Chapter



Bengaluru Chapter



Bengaluru Chapter



Coimbatore Chapter



Coimbatore Chapter



Coimbatore Chapter



Thrissur Chapter



Thrissur Chapter

WESTERN INDIA REGIONAL COUNCIL

BARODA CHAPTER

MS-Office Training Completed

A 40-hour MS-Office training program by Rupesh Dave was successfully completed between March 24th and April 19th, 2025, with 98 Intermediate students participating.

IOTP Training Completed

The Industry Oriented Training Program (IOTP) for Final students was successfully conducted from

April 1st to April 9th, 2025. The 10-hour program covered various subjects with different faculty members and had 65 student participants.

Inter-Chapter Cricket Tournament

The Baroda Chapter hosted an Inter-Chapter Cricket Tournament with participation from the Nashik Chapter and various teams from Baroda.

Participation in International Conference

The Baroda Chapter participated in the 5th International Conference on "Leadership in the Digital Era: Driving Change and Building

Resilience" organized by Parul University on April 12th, 2025.

Meeting on Direct Tax Code Inclusion

The chapter met with Member of Parliament Shri Jasvantsinh Sumanbhai Bhabhor to advocate for the inclusion of Cost Accountants in the definition of "Accountant" under the Income Tax Act.

Donation for New CMA Bhavan

CMA Priyank Vyas, Chairman of the Baroda Chapter, made a generous donation of ₹1,25,000 towards the construction of a new CMA Bhavan.

Placement & Training Activities

The Baroda Chapter has been actively organizing placement and training activities that have benefited a large number of members and students.

AHMEDABAD CHAPTER

IOTP for Final Students

The Ahmedabad chapter organized an Industry Orientation Program (IOTP) for final students from April 11th to 21st, 2025. The program featured lectures by various eminent faculty members on topics including critical & creative thinking, leadership, teamwork, company formation, contract management, direct taxation, working capital management, soft skills, group discussion, communication skills, public speaking, interview skills, CV/resume making, presentation skills, corporate finance, fund raising, indirect taxation, cost audit, finalization of accounts, and digital financial services. Participant students also presented group power points and received participation certificates.

PUNE CHAPTER

CPE on "Mutual Funds Sahi Hai"

Pune Chapter organized a CPE session on "Mutual Funds Sahi Hai" on Saturday, March 29th, 2025, at CMA Bhawan, Karvenagar. CMA Anant Dhavale, a Practicing Cost Accountant, was the speaker. CMA Himanshu Dave welcomed the participants and introduced the speaker, who was felicitated by CMA Pramodkumar Dube. CMA Himanshu Dave also delivered the vote of thanks. The session was well-attended by members and students.

CPE on GST Amnesty and ISD Forms

Pune Chapter held a CPE session on "Filling Forms for Amnesty under GST SP-1 and SP-2 and Input Service Distributor under GST" on Saturday, April 12th, 2025, at CMA Bhawan, Karvenagar. The speakers were CMA Rahul Chincholkar and CMA Tanuja Mantrawadi, who were introduced by CMA Anagha Moghe. CMA Rahul Chincholkar explained filling forms for GST SP-1, and CMA Tanuja Mantrawadi discussed SP-2 and the Input Service Distributor under GST. The informative session was well-attended by members.

CPE on Fundamental Rights

The Chapter organized a CPE session on "Know your Fundamental Rights" on Saturday, April 19th, 2025, at CMA Bhawan, Karvenagar. The speaker was Adv Shweta Khot, who was introduced by CMA Himanshu Dave and felicitated by CMA Nilesh Kekan. Adv Shweta Khot delivered an informative lecture on the topic. CMA Himanshu Dave gave the vote of thanks. The program was well-attended by members and students.

NASHIK CHAPTER

CPE on Cost Audit & XBRL Filing

The Nashik chapter conducted a CPE session on "How to prepare Cost Audit & XBRL Filing" on March 7th, 2025, at Hotel 24x7, Nashik. CMA Kailas Shinde welcomed the attendees, and CMA Mahendra Bhombe explained activity rate computation, overhead allocation, and XBRL filing of Cost Audit Reports. CMA Arif Khan Mansuri gave the vote of thanks.

Seminar on International Trade & Policies

In collaboration with the Directorate General of Foreign Trade, Pune, the Nashik Chapter organized a seminar on "International Trade & Policies" on March 18th, 2025, at Hotel SSK Solitaire Nashik. The seminar focused on India's export potential, latest schemes, and e-commerce opportunities under the "Niryat Bandhu Scheme." Chief guests included Shri R. K. Dwivedi, Shri B. N. Vishwas, Shri Ajit Dan, CMA Ashok Nawal, and Shri Prafull Wani. CMA Amit Jadhav welcomed the guests, and CMA Maithili Malpure coordinated the program. Keynote speakers Shri Shekhar Singh, CMA Manoj

INSTITUTE NEWS

Malpani, Shri Ashish Bedmutha, and CMA Suraj Lahoti provided insights on export documentation,

incentive schemes, and the roles of DGFT, customs, CMAs, e-post, and banks in exports.

Glímpses of Western Indía Regional Council



Baroda Chapter



Baroda Chapter



Ahmedabad Chapter



Pune Chapter



Pune Chapter



Pune Chapter



Nashik Chapter



Nashik Chapter





ICMAI - NIA





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Direct & Indirect Tax Updates - April 2025

DIRECT TAXES

- Notification No. 25/2025 Dated 3rd April 2025: In exercise of the powers conferred by sub-section (2A) of section 139AA read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962. They shall come into force with effect from the date of their publication in the Official Gazette. In the Income-tax Rules, 1962 (hereinafter referred as the said rules), in rule 114, after sub-rule (5A), the following shall be inserted, namely: "(5AA) Every person who has been allotted permanent account number on the basis of Enrolment ID of Aadhaar application form filed prior to the 1st day of October, 2024, shall intimate his Aadhaar number to the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) or the person authorised by the said authorities.
- Notification No. 26/2025 Dated 3rd April 2025: In exercise of the powers conferred by sub-section (2A) of section 139AA of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that every person who has been allotted permanent account number on the basis of Enrolment ID of Aadhaar application form filed prior to the 1st day of October, 2024, shall intimate his Aadhaar number to the Principal Director General of Incometax (Systems) or Director General of Income-tax (Systems) or the person authorised by the said authorities on or before the 31st day of December, 2025 or such date as may be specified by the Central Board of Direct Taxes in this behalf.
- Notification No. 27/2025 Dated 4th April 2025: In exercise of the powers conferred by sub-section (1F) of section 197A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby specifies that no deduction of tax shall be made under section 194EE of the Act on payment of amount referred to in clause (a) of sub-section (2) of section 80CCA, which is withdrawn by an assessee being an individual, on or after the date of publication of

- this notification in the Official Gazette.
- Notification No. 28/2025 Dated 7th April 2025: In exercise of the powers conferred by sub-clause (b) of clause (46A) of section 10 of the Income-tax Act, 1961 (43 of 1961), (hereinafter referred to as "the Incometax Act"), the Central Government hereby notifies the Greater Mohali Area Development Authority (PAN: AAALG0872G) (hereinafter referred to as "the assessee"), an authority constituted under The Punjab Regional and Town Planning and Development Act, 1995 (Punjab Act No. 11 of 1995), for the purposes of the said clause.
- Notification No. 29/2025 Dated 7th April 2025: In exercise of the powers conferred by subclause (b) of clause (46A) of section 10 of the Income-tax Act, 1961 (43 of 1961), (hereinafter referred to as "the Income-tax Act"), the Central Government hereby notifies the Prayagraj Mela Pradhikaran, Prayagraj (PAN: AAAGP1340M) (hereinafter referred to as "the assessee"), an authority constituted under the Uttar Pradesh Prayagraj Mela Authority, Allahabad Act, 2017 (U.P. Act, N.o.5 of 2018), for the purposes of the said clause.
 - Notification No. 30/2025 Dated 7th April 2025: In exercise of the powers conferred by section 158BC read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Incometax Rules, 1962. In the Income-tax Rules, 1962 (hereinafter referred to as the said rules), after rule 12AD, the following rule shall be inserted: "12AE. Return of income under section 158BC" The return of income required to be furnished by any person under clause (a) of sub-section (1) of section 158BC, relating to any search initiated under section 132 or requisition made under section 132A on or after the 1st day of September, 2024 shall be in the Form ITR-B and be verified in the manner indicated therein. The return of income referred to in sub-rule (1) shall be furnished by a person, mentioned in column (2) of the Table below in the manner specified in column (3).

STATUTORY UPDATES

- Notification No. 31/2025 Dated 7th April 2025: In exercise of the powers conferred by clause (ba) of Explanation to section 54EC of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that bonds redeemable after five years and issued on or after 01st day of April, 2025, by the Housing and Urban Development Corporation Limited (HUDCO) (a public financial institution notified by the Central Government under section 2(72) of the Companies Act, 2013), as 'long-term specified asset' for the purposes of the said section. HUDCO shall utilise the proceeds from such bonds only for those infrastructure projects which can service the debt out of the project revenues without being dependent on the State Governments for the service of debts.
- Notification No. 32/2025 Dated 8th April 2025: In exercise of the powers conferred by clause (1) of sub-section (1) of section 89 of the Finance (No. 2) Act, 2024 (15 of 2024), the Central Government hereby notifies under the Direct Tax Vivad se Vishwas Scheme, 2024, the 30th day of April, 2025 as the last date, on or before which a declaration in respect of tax arrear shall be filed by the declarant to the designated authority, in accordance with the provisions of section 90 of the said Act.
- Notification No. 33/2025 Dated 17th April 2025: In exercise of the powers conferred by clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (43 of 1961) read with Rules 5C and 5E of the Income-tax Rules, 1962, the Central Government hereby approves 'KIMS Foundation and Research Centre' Hyderabad (PAN: AABTK7589F) as 'Other Institution' under the category of 'University, College or Other Institution' for 'Scientific Research' for the purposes of clause (ii) of subsection (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Incometax Rules, 1962.
- Notification No. 34/2025 Dated 17th April 2025: In exercise of the powers conferred by clause (48) of section 2 of the Income-tax Act, 1961 (43 of 1961), read with clause (ii), clause (iii) and clause (v) of sub-rule (3) and sub-rule (6) of rule 8B of the Incometax Rules, 1962, the Central Government hereby specifies the bond

- with the following particulars as zero coupon bond for the purposes of the said clause (48) of section 2 of the said Act, namely: (a) name of the bond Ten Year Zero Coupon Bond of Housing and Urban Development Corporation Ltd. (b) period of life of the bond Ten years one month (c) the time schedule of the issue To be issued on or before the 31st day of of the bond March 2027 (d) the amount to be paid on maturity Rs. 5,000 crores or redemption of the bond (e) the discount Rs. 2,351.49 crores (f) the number of bonds to be issued Five lakhs.
- Notification No. 35/2025 Dated 22nd April 2025: In exercise of the powers conferred by section 295 read with section 206C of the Incometax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Incometax Rules, 1962. In the Incometax Rules, 1962, in Form No. 27EQ, in the Annexure, in the Notes thereto, in Note 11, in the table, after the row relating to "Collection at source on sale of motor vehicle" rule 206C shall be inserted.
- Notification No. 36/2025 Dated 22nd April 2025: In exercise of the powers conferred by clause (ii) of sub-section (1F) of section 206C of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies the certain goods of the value exceeding ten lakh rupees for collection of tax at source as specified.
- Notification No. 37/2025 Dated 22nd April 2025: In exercise of the powers conferred by sub-clause (b) of clause (46A) of section 10 of the Income-tax Act, 1961 (43 of 1961), (hereinafter referred to as "the Income-tax Act"), the Central Government hereby notifies the "National Mission for Clean Ganga" (PAN:AABAN3769K) (hereinafter referred to as "the assessee"), an authority constituted under the Environment (Protection) Act, 1986 (No.29 of 1986), for the purposes of the said clause. This notification shall be effective from the assessment year 2024-25, subject to the condition that the assessee continues to be an authority constituted under the Environment (Protection) Act, 1986 (No.29 of 1986), with one or more of the purposes specified in subclause (a) of clause (46A) of section 10 of the Income-tax Act.

STATUTORY UPDATES

- Notification No. 38/2025 Dated 23rd April 2025: In exercise of the powers conferred by clause (iv) of Explanation 3 of sub-section (1) of section 37 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that any expenditure incurred to settle proceedings initiated in relation to contravention or defaults under the following laws shall not be deemed to have been incurred for the purpose of business or profession and no deduction or allowance shall be made in respect of such expenditure (a) the Securities and Exchange Board of India Act, 1992 (15 of 1992) (b) the Securities Contracts (Regulation) Act, 1956 (42 of 1956) (c) the Depositories Act, 1996 (22 of 1996) (d) the Competition Act, 2002 (12 of 2003).
- Notification No. 39/2025 Dated 24th April 2025: In exercise of the powers conferred by clause (46) of section 10 of the Incometax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Mysore Palace Board' (PAN: AAAGM0484M), a Board established under the Mysore Palace (Acquisition and Transfer) Act, 1998 in respect of the following specified income arising to the said Board, (a) Income from Palace or proceeds of any property vested in the Board (b) All fees and charges levied by the Board under the Mysore Palace (Acquisition and Transfer) Act, 1998 and forming part of the Board fund (c) Rent received from the shops/stalls let out to Government Agencies; and (d) Interest earned on bank deposits. This notification shall be effective subject to the conditions that Mysore Palace Board (a) shall not engage in any commercial activity (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.
- Notification No. 40/2025 Dated 29th April 2025: In exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Incometax Rules, 1962. In the Income-tax Rules,

- 1962 (hereinafter referred to as the principal rules), in rule 12, in sub-rule (1), for the figures "2024", the figures "2025" shall be substituted. In the principal rules, in rule 11B, after the words, figures and letters "Form No. 10BA", the words "and furnish the same along with the return of income" shall be inserted. In the principal rules, in Appendix II, for FORM ITR-1, the FORM shall be substituted.
- Notification No. 41/2025 Dated 30th April 2025: In exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the rules further to amend Income-tax Rules, 1962. In the Income-tax Rules, 1962 (hereinafter referred to as the said rules), in Appendix II, for FORM ITR-3, the FORM shall be substituted.

INDIRECT TAXES

CUSTOMS

- NOTIFICATION No. 23/2025 Customs Dated 4th April 2025: 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 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, published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i), vide number G.S.R. 785(E), dated the 30th June, 2017. In the said notification, in the Table, against S. No. 515C, in column (6), for the entry "9", the entry "-" shall be substituted.
- NOTIFICATION No. 24/2025 Customs Dated 28th April 2025: 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 further amendments in the

STATUTORY UPDATES

notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 50/2017- Customs, published in the Gazette of India, Extraordinary, Part II, section 3, subsection (i), vide number G.S.R 785 (E), dated the 30th June 2017. In the said notification, in the Annexure to the Table, for List 34A and List 34B, and the entries relating thereto, the Lists and entries shall respectively be substituted.

- NOTIFICATION No. 25/2025 Customs Dated 30th April 2025: Seeks to amend various Customs Notifications to align them with changes made vide Finance Act, 2025. In exercise of the powers conferred by subsection (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 directs that each of the notification issued by the Government of India in the Ministry of Finance (Department of Revenue) as specified in column (2) of the Table, shall be amended in the manner specified in the corresponding entries in column (3) of the said Table.
- NOTIFICATION No. 26/2025 Customs Dated 30th April 2025: Seeks to rescind Notification No. 04/2025-Customs dated the 1st February, 2025. n exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public so to do, hereby rescinds, the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 04/2025-Customs, dated the 1st February, 2025 published in the Gazette of India, Extraordinary, Part II, section 3, subsection (i) vide number G.S.R. 97(E) dated 1st February, 2025, except as respect things done or omitted to be done before such rescission.
- NOTIFICATION No. 27/2025 Customs Dated 30th April 2025: Seeks to amend Second Schedule to the Customs Tariff Act, to align it with changes made in the First Schedule to the Customs Tariff Act vide Finance Act, 2025.
- NOTIFICATION No. 28/2025 Customs Dated 30th April 2025: Seeks to amend Notification no. 27/2011 - customs dated 1st March, 2011 and Notification No.

- 22/2024-Customs, dated 2nd April, 2024 to align them with the changes made in the Second Schedule to the Customs Tariff Act.
- Circular No.11/2025-Customs Dated 3rd April 2025: Implementation of the Export Entry (Post export conversion in relation to instrument-based scheme) Regulations, 2025.
- Circular No.12/2025 Customs Dated 7th April 2025: Clarification on the classification and applicable Basic Customs Duty (BCD) for Interactive Flat Panel Displays (IFPDs) and other monitors.
- Circular No.13/2025 Customs Dated 8th April 2025: Rescinding of Circular No. 29/2020-Customs dated 29.06.2020 in respect of Transshipment of Export Cargo from Bangladesh to third countries through Land Customs Stations (LCSs) to Port / Airport, in containers or closed bodied trucks.
- Circular No.14/2025 Customs Dated 21st April 2025: Amendment to guidelines issued vide Circular No. 38/2020 dated 21.08.2020.
- Circular No.15/2025-Customs Dated 25th **April 2025:** Simplification of procedures related to Air Cargo Movement & Transhipment.

CENTRAL EXCISE

Notification No.02/2025 - Central Excise Dated 7th April 2025: In exercise of the powers conferred by section 5A of the Central Excise Act, 1944 (1 of 1944)read with section 147 of Finance Act, 2002 (20 of 2002), the Central Government being satisfied that it is necessary in the public interest so to do, hereby makes the further amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue)No. 05/2019-Central Excise, dated the 6th July, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 488(E), dated the 6thJuly, 2019. In the said notification, in the Table,-(i) against Sl.No.1,in column (4), for the entry, the entry "Rs. 13 per litre" shall be substituted (ii) against Sl. No. 2, in column (4), for the entry, the entry "Rs. 10 per litre" shall be substituted.

Sources:

incometax.gov.in, cbic.gov.in



The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

Advisory for Renewal of Certificate of Practice For 2025-26

The members of the Institute holding Certificate of Practice (CoP) having validity up to 31st March, 2025 are requested to comply with the following guidelines for renewal of their Certificate of Practice:

- 1. The following changes consequent to amendment of the Cost and Works Accountants Regulations, 1959 vide Notification dated 4th February, 2011 published in the Gazette of India may be noted:
 - a. The validity of a Certificate of Practice (CoP) is for the period 1st April to 31st March every year unless it is cancelled under the provisions of the Cost and Works Accountants Act and Regulations, 1959 as amended.
 - b. The Certificate of Practice issued shall automatically be renewed subject to submission of prescribed Form M-3 (duly filled in) and payment of renewal fee* and annual membership fee*.
 - c. From the year 2011-12 onwards, letter for renewal Certificate of Practice is not being issued. However, the members concerned may download the renewal status from the Institute's website www.icmai.in.Link: https://eicmai.in/MMS/Login.aspx?mode=EU
- 2. It may please be noted that under Section 6 of the Cost and Works Accountants Act, 1959, **both the**Annual Membership Fee* and Fee for Renewal of Certificate of Practice* falls due on 1st April each year.
- 3. Special attention is invited to the fact that the validity of a Certificate of Practice expires on 31st March each year unless it is renewed on or before the date of expiry in terms of the amended Regulation 10 of the Cost and Works Accountants Regulations, 1959. Hence, a member shall be required to renew the certificate of Practice within 31st March every year.
- 4. If the Certificate of Practice of a member is not renewed within 31^{st} March, 2025, his/her status of CoP from 1^{st} April 2025 till the date of renewal would be "Not Active".
- 5. Subject to what has been mentioned in Sl. No. 3 & 4 above, a member can get his/her Certificate of Practice for 2024-25 renewed within 30th June, 2025. If application for renewal of Certificate of Practice is made after 30th June, 2025, the member's Certificate of Practice for 2025-26 will not be renewed but will be considered as a case of restoration of Certificate of Practice till 31/03/2026. This restoration is applicable only to the CoP holders whose CoP is valid till 31/03/2025. For restoration of Certificate of Practice, he/she has to pay Rs. 500/-* as restoration fee in addition to the prescribed fees * along with duly filled in form 'M-3'.
- 6. It may please be noted that mere payment of fees * alone will not be sufficient for renewal of Certificate of Practice. Application in prescribed Form M-3 is to be used for Renewal of Certificate of Practice duly filled in and signed is mandatory. The soft copy of prescribed Form M-3 for Renewal of Certificate of Practice can be downloaded from Institute's website www.icmai.in. Link: https://eicmai.in/external/PublicPages/WebsiteDisplay/PractitionersForms.aspx
- 7. The Institute has introduced a scheme of Continuing Education Programme (CEP) and the same is mandatory in accordance with provision to sub-regulation (1) of Regulation 10 of the Cost and Works Accountants Regulations, 1959, as amended, whereby no Certificate of Practice and renewal thereof shall be issued unless a member has undergone minimum number of hours of such

- training. The detailed guidelines in this connection are available on Institute's website www.icmai.in. Link: https://icmai.in/upload/Institute/Updates/CPE March 24 Rev.pdf
- 8. For renewal and application of new CoP issued on and from 1st February, 2019, please refer to Notification F. No. CWA/21/2019 dated 1st February, 2019 and subsequent corrigendum dated 8th March, 2019. Link: https://icmai.in/icmai/news/5435.php). Accordingly new CoP holders on and from lst February, 2019 are required to comply with Mandatory Capacity Building Training (MCBT) requirement for renewal of CoP for the FY 2025-26.
- 9. Other relevant issues for Renewal of Certificate of Practice are as follows:
 - a. Application for renewal of Certificate of Practice upto 31st March, 2026 has to be made in prescribed Form M-3 which may be filled online or through hard Copy of form duly filled in and signed on both sides together with Renewal Certificate of Practice fee of Rs. 2,000/-* and all other dues to the Institute on account of annual membership fees * and entrance fees *.
 - b. The annual membership fee for Associate and Fellow members are Rs. 1,000/-* and Rs. 1,500/-*respectively. The entrance fee * for Associate and Fellow members is Rs. 1,000/-* each payable at a time at the time of application for admission to Associateship or advancement to Fellowship, as the case may be.
 - c. The fees * may be paid online or by Demand Draft/at par cheque payable at Kolkata if remitted by post to the Headquarters of the Institute.
 - d. Members should note that the renewal of Certificate of Practice can be effected only after receipt of the prescribed fees * along with duly filled in form at the Headquarters of the Institute and on meeting the stipulated CEP credit hours. Mere submission of the same at the Regional Councils or Chapters will not be sufficient. Members are advised to make payment directly to the Headquarters or use the online facility of submission of application and payment to avoid any delay.

All practising members are advised to send their application for renewal of Certificate of Practice for the year 2025-26 along with other requirements as indicated above immediately so as to reach the Institute's Office at Kolkata well in advance to enable the Institute to issue the renewal of Certificate by 31st March, 2025.

Renewal of Part-time Certificate of Practice

1.	For renewal of part-time Certificate of Practice, it is also essential to furnish a certificate from
	the employer in the following form or in a form as near thereto as possible if the practising member
	has undertaken any employment or there has been a change in employment:

"Shri/Smt is employed as designation)						
and (name of Organisation)						
he/she is permitted, notwithstanding anything contained in the terms of his/her employment,						
to engage himself/herself in the practice of profession of Cost Accountancy in his/her						
spare time in addition to his/her regular salaried employment with us.						

Signature of Employers with seal of Organisation"

2. It may be noted that members holding Part-time Certificate of Practice (CoP) are not eligible to undertake statutory assignments like Cost Audit, Central Excise Audit, etc.

^{*}GST is applicable against payment

THE MANAGEME ACCOUNTAN

PAPERS INVITED

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

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	June 2025	Theme	MSMEs: The Backbone of India's Economic Future	Subtopics	0 0000 0000	Empowering India's Future: The Transformative Influence of MSMEs on the Indian Economy MSME market presence and competitiveness in a global economy The Role of MSME in Creating Entrepreneurship and Economic Growth in India MSMEs Designing the Roadmap for Atmanirbhar Bharat Empowering MSMEs Through Artificial Intelligence (AI) and Machine Learning (ML) Union Budget 2025-26: Stimulating MSME Growth and Development Launch of Credit Guarantee Scheme – A Strategic Boost for MSMEs Leveraging MSMEs for Enhanced Government Revenue Generation MSMEs in India: A Gateway to Employment and Industrialization
	July 2025	Theme	Co operatives - Driving force of Indian economy	Subtopics	0 000 00 000	Regulatory Framework and Compliances: Best Practices, Issues and Hurdles in Implementation for the Cooperative sector in India Implementation and Relevance of Establishment of Multi-Purpose Cooperative Societies Issues and Implication of Digitization of Cooperative Societies Implementation and Efficacy of Rural and Urban Cooperative Initiatives and Different Government Schemes in the Cooperative Sector Role of Cost and Management Accountants (CMAs) in the Cooperative Sector. Issues and opportunities/performance in the new emerging areas such as Common Service Centre, Warehousing, Petrol Pumps, Water Cooperatives, Value Chains, etc. at PACs level. India's cooperative movement - A pillar for sustainable growth Self reliance, self sufficiency - Enduring principle of cooperative Co operatives fostering growth of rural economy Building opportunities through inclusion of marginalised group
1 1000	August 2025	Theme	IFSC: Emerging as a dominant Gateway for India's Financial Sector	Subtopics	00000000	IFSC - Future foundation of financial sector Key functions and responsibilities of IFSC IFSC - a parallel pillar to Banking sector Cross border financial services and dispute resolution platform IFSC - a paradigm shift from traditional banking Regulatory functions of IFSC IFSC connects India to global fintech Key benefits of Global in House Centre (GIC)
11000	September 2025	Theme	AI – The Genesis of the Virtual World of Business	Subtopics	0000000000	AI Shaping the Modern Business Landscape Transforming Legacy Systems to E-commerce AI-Driven Redesign of Business Processes for Agility and Efficiency AI-Powered Automation: Accelerating Business Workflows AI in Everyday Business: Real-World Applications Opportunities and Challenges Faced While Working on Automated Software The Evolving Role of CMAs in AI Implementation and Auditing Ethical AI in Business: Responsible use, bias, transparency. Generative AI in Marketing and Customer Experience AI and Decision-Making: Enhancing vs. Replacing Human Judgment

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

Guidelines to submit full Paper

- Soft Copy of the full paper should be submitted in double space, 12 font size, Times New Roman, keeping a margin of 1 inch in four sides, MS Word (.doc) format.
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- The cover page should contain the title of the paper, author's name, designation, official address, contact phone numbers, e-mail address.

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

- ▲ Data analytics' role in company performance and decision-making
- Customer Relationship Management (CRM)
- Corporate Social Responsibility in branding
- Asset pricing and financial markets
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- ▲ Banking & Insurance
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Papers must be received within

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