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Cooperatives

DRIVING FORCE OF INDIAN ECONOMY



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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)

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FOR THE MEMBERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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The Institute of Cost Accountants of India

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

VISION STATEMENT

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

MISSION STATEMENT

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

Institute Motto

असतोमा सद्गमय
तमसोमा ज्योतिर्गमय
मृत्योर्मांमृतं गमय
ॐ शान्ति शान्ति शान्तिः

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

IDEALS THE INSTITUTE STANDS FOR

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



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

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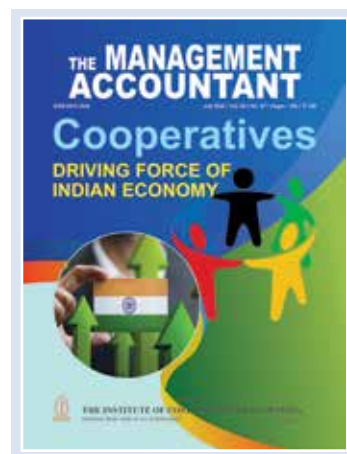
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From the EDITOR'S DESK

In the vast and diverse landscape of India's economy, cooperatives have emerged as quiet yet formidable engines of growth and social inclusion. Anchored in the principles of self-help, democratic governance, and collective welfare, the cooperative movement in India has not only empowered millions at the grassroots level but has also significantly shaped critical sectors such as agriculture, dairy, rural finance, and community development. With this month's theme—*Cooperatives: Driving Force of Indian Economy*—we aim to celebrate, analyze, and reflect on the lasting impact and future potential of this powerful socio-economic model.

As we step into 2025, the global community marks the *International Year of Cooperatives*, reaffirming the essential role cooperatives play in fostering resilient economies and inclusive societies. This year is more than just a celebration—it is a call to action. It urges stakeholders to strengthen, innovate, and scale the cooperative model as a viable and sustainable alternative amid ongoing economic and social challenges. For India—where cooperatives are deeply rooted in the socio-economic fabric of rural and semi-urban life—this global spotlight presents a unique opportunity to showcase our achievements, exchange best practices, and recommit to the values of cooperation that prioritize people over profit.

Our Cooperative Development Board proudly joins this global celebration. This issue includes a dedicated page that highlights our Institute's initiatives and contributions to mark this important occasion.

In line with the theme, this edition of *The Management*

Accountant features a range of thought-provoking articles that examine cooperatives from multiple perspectives:

- ⊙ *Regulatory Framework and Compliances: Best Practices, Issues, and Hurdles in Implementation for the Cooperative Sector in India* – This article traces the evolution of cooperative regulation, highlights best practices in compliance, and identifies key challenges to successful implementation. It also offers insights into governance reforms and regulatory harmonization, aligning with the national vision of “*Sahakar se Samridhi*” (Prosperity through Cooperation).
- ⊙ *India's Cooperative Movement – A Pillar for Sustainable Growth* – This study explores the historical development, structure, and impact of India's cooperative model, with emphasis on its role in promoting self-reliance, agricultural productivity, and financial inclusion. Case studies and policy analysis underscore the movement's potential in driving grassroots-led, equitable development.
- ⊙ *Cooperatives in India: Building Blocks for Equitable Growth and Sustainable Development* – This article evaluates the contributions of cooperatives across key sectors such as agriculture, dairy, and finance, highlighting their relevance to India's sustainability agenda.
- ⊙ *Financial Performance and Challenges of Cooperative*

Credit Societies in Assam: An Empirical Study – Based on field research, this study recommends measures to enhance member engagement, capital stability, and credit delivery systems for improving the performance of cooperative credit societies in Assam.

- ⊙ *Cooperatives Fostering Growth of Rural Economy through Self-Resilience and Self-Reliance in India* – This article analyzes how cooperatives support India's rural economy through financial inclusion, productivity, and community leadership. It also proposes strategies to address governance challenges and enhance sustainability and scalability.
- ⊙ *The Role of Cooperatives in Fostering Rural Economic Growth* – This study emphasizes the significant contributions of cooperatives to rural development, while also addressing governance limitations and access-to-market challenges. Policy interventions and capacity-building initiatives are identified as crucial enablers for long-term impact.
- ⊙ *White Revolution 2.0: Enhancing Rural Prosperity and Strengthening Cooperative Efforts for Small Farmers* – Revisiting the legacy of Operation Flood, this article outlines the objectives of White Revolution 2.0—a renewed cooperative-led initiative aimed at modernizing India's dairy sector through digital tracking, AI-driven veterinary services, and women's empowerment.

In addition to the theme-based articles, this issue features contributions on other contemporary subjects relevant to management accountants and policymakers. As we mark the anniversary of GST implementation on July 1, 2017, this edition features two insightful articles: “*GST: Common issues possible solution*” and “*Formation of GST Appellate Tribunal – The Need of the Hour*”, both examining key institutional and structural challenges in the evolving GST regime.

We are also privileged to include an exclusive interview with **CMA Nav Ratan Gupta**, Director (Finance), Bridge and Roof Company (India) Limited, Kolkata.

We extend our sincere thanks to all contributors for their valuable insights and scholarly work. Your continued support makes this journal a vibrant platform for dialogue, ideas, and progress.

We welcome your feedback at editor@icmai.in.

Happy Reading!



President's Communiqué

CMA Bibhuti Bhusan Nayak

President

The Institute of Cost Accountants of India

“The best way to find yourself is to lose yourself in the service of others.”

- Mahatma Gandhi

My Dear Professional Colleagues,

As the Council Year 2024–25 nears its conclusion, I convey my final communication as the President of this esteemed Institute, filled with deep gratitude and fulfillment. Serving my alma mater has been not just an honour, but a privilege of the highest order. This journey has been defined by purpose, steadfast dedication and the power of collective achievement.

First and foremost, I would like to convey my heartfelt thanks to CMA TCA Srinivasa Prasad, Vice President, ICAI for his steadfast support, shared vision and tireless efforts in all our institutional endeavours. I am equally grateful to my Council Colleagues, the Government Nominees, the Officials of the Ministry of Corporate Affairs and all employees of the Institute whose constant support, resilience and professionalism have been instrumental in translating vision into reality.

The consistent support and engagement of the members and students have been instrumental in propelling the Institute's initiatives forward. Their commitment has truly been the backbone of our collective progress. I also take this opportunity to acknowledge the invaluable contribution of our stakeholders, institutional partners and well-wishers whose belief in the Institute's vision has strengthened our resolve to serve with excellence.

It gives me immense pride to reflect upon some of the key milestones and achievements during my tenure:

◎ **Headquarters Shifted to Delhi – A Historic Milestone**

One of the most historic developments during this tenure has been the official shift of the Headquarters of the Institute from Kolkata to Delhi through the notification of the Cost and Works Accountants (Amendment) Regulations, 2025 dated 25th April 2025. This strategic move positions the Institute at the heart of the nation's policy and regulatory landscape, enhancing our visibility and influence at the national level.

◎ **Proactive Representation before the Select Committee on Income Tax Bill, 2025**

I had the honour to lead the Institute's delegation before the Hon'ble Select Committee of Lok Sabha to present our strong case for the Inclusion of "Cost Accountant" in the Definition of "Accountant" under Clause 2 (1) & 515(3)(b) of the Income-Tax Bill, 2025. Our representation was well-received, reflecting the Institute's expanding influence in fiscal policymaking.

◎ **NCMAC-2025: A Visionary Gathering in Bhubaneswar**

The 62nd National Cost and Management Accountants' Convention held in Bhubaneswar was a resounding success with the gracious presence of Dr. Hari Babu Kambhampati, Hon'ble Governor of Odisha as the Chief Guest, Shri Sujeet Kumar and Dr. Rabi Narayan Behera, Hon'ble Members of Parliament as Guests of Honour, CMA leaders and esteemed speakers. The Valedictory Session was addressed through virtual mode by Shri Jual Oram, Hon'ble Union Minister of Tribal Affairs. With the theme 'दिव्य-दृष्टि: Corporate Excellence – CMA Vision', the convention showcased thought leadership, industry relevance and the unifying

strength of our profession.

⦿ **National CMA Practitioners' Convention in Varanasi**

The successful organization of the National CMA Practitioners' Convention–2025, themed “Emerging Trends in Practice”, empowered our practicing members with valuable insights in ESG, taxation and emerging technologies.

⦿ **CMA Achievers' Meet: Vision 2030**

A grand assembly of over 100 CMA achievers was held at Vigyan Bhawan, New Delhi, reflecting the growing stature of CMAs across sectors and their alignment with India's long-term strategic vision. The event was graced by Shri Shripad Yesso Naik, Hon'ble Union Minister of State for Power and New & Renewable Energy as Chief Guest, and Dr. Jayanta Kumar Roy, Hon'ble Member of Parliament and Ms. Deepti Gaur Mukerjee, IAS, Secretary, Ministry of Corporate Affairs as Guests of Honour.

⦿ **International Conference in Dubai**

The International Conference on Cost & Management Accounting hosted in Dubai reinforced our global engagement with wide participation from thought leaders, industry professionals and international partners.

⦿ **Sustainability Summit 2025**

The Sustainability Standards Board (SSB) of the Institute hosted a successful Sustainability Summit, graced by the President of IFAC, strengthening our global leadership in responsible business practices and sustainability reporting.

⦿ **CMA National Youth Commerce Olympiad (NYCO) 2024**

The Directorate of Studies, in association with the Career Counselling & Placement Committee and CAT Directorate of ICAI, successfully conducted the CMA National Youth Commerce Olympiad (NYCO) 2024 on 17th November 2024, with enthusiastic participation from students, colleges, and institutes across India. This initiative aimed at promoting commerce education and fostering awareness about the CMA profession among young learners nationwide. Special appreciation is due to CMA Vinayaranjan P., Chairman, Career Counselling & Placement Committee and CMA Rajendra Singh Bhati, Chairman, CAT for their dedicated efforts in driving this impactful initiative.

⦿ **Code of Ethics and Guidance Notes**

The release of the Code of Ethics and the Guidance Note on Environmental Costing, along with ICAI Sustainability Standards, marks our resolve to empower members with globally aligned and forward-looking frameworks.

⦿ **MoUs with IFSCA and MSMECCII**

The Institute has forged key MoUs with prestigious institutions such as IFSCA for developing GIFT-IFSC as a global accounting hub and MSMECCII for fostering entrepreneurship and MSME linkages.

⦿ **MoU with NBCC (India) Ltd. for Infrastructure Development**

In pursuit of enhancing the Institute's infrastructure facilities across the country, the Institute has entered into a key MoU with NBCC (India) Limited for the development of modern infrastructure facilities of ICAI. Under this historic MoU, the first phase of projects includes the redevelopment and upgradation of multiple institutional premises, namely, Headquarters at Delhi, Kolkata Office, Noida Office, Hyderabad Centre of Excellence, Jaipur Centre of Excellence, EIRC Office, Ranchi Chapter, Chandigarh Chapter, Kottayam Chapter, and Vadodara Chapter.

⦿ **Advancing Digital Transformation: ERP and E-Office Initiatives**

In alignment with the vision of building a digitally empowered and efficient professional body, the Institute has initiated concrete steps towards implementing ERP system and E-Office solutions. These digital transformation efforts reaffirm ICAI's commitment to embracing technology for institutional excellence and stakeholder convenience.

⦿ **Enhancing HR Capabilities through Competency-Based Analysis**

The Institute has engaged XIM University, Bhubaneswar to conduct a competency-based HR analysis aimed at reviewing the existing workforce structure, identifying skill gaps, suggesting role realignments, and recommending additional expertise as per ICAI's evolving needs. The initiative focuses on optimizing workforce utilization, retention strategies, and career growth pathways to build a future-ready and efficient human resource framework.

⦿ Advancing Collaboration for Multi-Disciplinary Partnerships (MDPs)

Discussions between all three professional Institutes, ICAI, ICAI and ICSI, have progressed significantly towards finalizing the modalities for setting up Multi-Disciplinary Partnerships (MDPs), aimed at enabling joint professional services and expanding opportunities for members across disciplines.

⦿ Regional Conventions and Symposiums

All four Regional Councils of the Institute successfully conducted their annual flagship events during the term. SIRC organized the Southern India Regional CMA Convention 2024–25 in Bengaluru, EIRC held its 44th Cost Conference – 2025 in Kolkata inaugurated by Dr. C. V. Ananda Bose, Hon'ble Governor of West Bengal, WIRC hosted the Regional Cost Convention 2025 in Mumbai, and NIRC organized a Two-day Symposium in New Delhi graced by Shri Om Birla, Hon'ble Speaker of Lok Sabha. These events fostered regional engagement and highlighted the growing relevance and impact of the CMA profession across the country.

12th National Students' Convocation–2025

A moment of unparalleled honour was bestowed upon us when the **Hon'ble President of India, Smt. Droupadi Murmu**, inaugurated and graced our 12th National Students' Convocation as Chief Guest on 23rd June 2025, at Vigyan Bhawan, New Delhi inspiring the next generation of CMAs to contribute meaningfully to Viksit Bharat@2047.

The Hon'ble President of India acknowledged the significant contribution of ICAI, since its establishment in 1944, for the regulation and development of the profession of Cost and Management Accountancy in the country. She stated, *“It has played its role away from the limelight, but experts in economic and corporate history appreciate the significance of the inputs of cost and management accountants in our industrial growth”*. She further highlighted the remarkable evolution of the CMA profession, from its origins in cost accounting within factories to its growing presence in strategic decision-making at the boardroom level. Today, CMAs play vital roles across a wide array of domains including direct and indirect taxation, corporate laws, arbitration, insolvency, valuation,

social auditing, independent directorship, banking, and insurance.

Hon'ble President urged the graduating CMA students to recognize their expansive responsibilities beyond financial accounting. She expressed confidence that their education from ICAI would equip them to be not just successful professionals but also nation-builders contributing to the vision of a Viksit Bharat by 2047.

During the Convocation, the Hon'ble President of India graciously awarded certificates & medals to the toppers of the CMA Final and Intermediate Examinations. In total, 247 students were felicitated with awards. Smt. Deepti Gaur Mukerjee, Secretary, Ministry of Corporate Affairs, Govt. of India, also addressed the gathering, encouraging CMAs to embrace technology, innovation and agility, highlighting their pivotal role in India's journey towards becoming a \$30 trillion economy.

During the event, CMA Pradip Kumar Das, CMD of IREDA Limited was conferred with the 'CMA ICON Award' at the hands of Shri Sadanand Date, IPS, Director General, National Investigation Agency (NIA), Ministry of Home Affairs, Govt. of India. This honour was bestowed upon him in recognition of his exemplary achievements in steering business enterprises towards success and his significant contributions to the advancement of business, society, and the nation, making him a true role model for the CMA profession. Further, Certificates of Appreciation were presented to CMA Dr. Bijay Kumar Mohanty, Director (Finance) & Chief Financial Officer, IREDA Limited, CMA Gagan Bihari Swain, Director (Finance), Odisha Power Generation Corporation Limited & CEO, Odisha Coal & Power Limited, and CMA Satish Kumar Sinha, Executive Director (F&A), GAIL (India) Limited, in recognition of their professional excellence in the Public Sector and significant contribution as Cost and Management Accountant, upholding the values of the profession through exemplary financial leadership and governance.

I extend my heartfelt congratulations to CMA Vinayaranjan P., Chairman, and CMA Manoj Kumar Anand, Convener of the National Students' Convocation – 2025, for their exemplary leadership in organizing the Convocation. I also convey my appreciation to all my Council Colleagues and sincerely thank the employees of the Institute for

their dedicated efforts and seamless coordination, which contributed immensely to the grand success of the event. The Convocation witnessed the enthusiastic participation of over 1,200 students, professionals, corporate leaders and government officials from across the country, making it a truly memorable and inspiring occasion.

19th National Awards for Excellence in Cost Management and 8th CMA Awards

The 19th National Awards for Excellence in Cost Management–2024 and the 8th CMA Awards–2024 were presented in a grand ceremony, with **Shri Bhartruhari Mahtab, Hon'ble Member of Parliament (Lok Sabha) and Chairperson of the Standing Committee on Finance**, gracing the occasion as the **Chief Guest**. He presented the National Awards for Excellence in Cost Management to 26 organisations and CMA Awards to 24 awardees under different categories. He also released two **CMAGPT generative AI tools**, one for Cost Accounting Standards and the other for Standards of Cost Auditing, developed to assist industry stakeholders and professionals in enhancing compliance, understanding, and application of the standards.

The awards recognized exemplary performance in cost management across the public and private sectors, with specific accolades in sectors such as manufacturing, BFSI, logistics, infrastructure and consulting. The CMA Awards celebrated outstanding individual contributions of professionals in roles such as CFOs, Achievers and Young Achievers. In his address, Shri Mahtab emphasized the evolving role of CMAs in shaping corporate strategy, improving operational efficiency and building a competitive economy.

Landmark Achievements in Campus Placements (2024–25)

The Placement Directorate of ICAI reported record-breaking success in campus placement drives conducted for the newly qualified CMA candidates of December 2024 term of examination, underscoring the growing industry demand for Cost Accountants. Key highlights include:

- i. A total of **520 candidates** have been placed so far across diverse sectors and industries.

- ii. The **Highest-ever CTC of ₹36 lakhs was offered to 7 candidates**, setting a new benchmark in ICAI's placement history.
- iii. The widest-ever placement footprint was achieved, with placement services extended beyond the metro cities to new hubs such as Pune, Coimbatore, Vijayawada, Bengaluru, Ahmedabad and Bhubaneswar.
- iv. Historic participation from over 10 leading PSUs and Quasi-Government bodies, including BPCL, GAIL, IOCL, BEL, NMDC, NLC and NBCC, many of which recruited from multiple campus locations—a first in the Institute's placement operations.

These milestones reflect ICAI's strengthened industry linkage, curriculum relevance and commitment to empowering professionals who contribute meaningfully to India's corporate and public sector growth.

Strategic Collaboration with IIT Madras

On 11th June 2025, the Institute signed a landmark agreement with IIT Madras at CMA Bhawan, New Delhi, for deploying an advanced online LMS platform and video-based learning services. This initiative is aimed at enhancing the digital learning experience for ICAI students and members, reinforcing the Institute's commitment to modern education. The initiative led by CMA Vinayaranjan P., Chairman, Training & Educational Facilities Committee, deserves special appreciation for driving this forward-looking collaboration.

Controllers' Conference 2025

The Defence Accounts Department (DAD) organized the Controllers' Conference-2025 on 7th July 2025 at DRDO Bhawan, New Delhi. The Conference was inaugurated by Shri Rajnath Singh, Hon'ble Union Minister of Defence, who emphasized the critical role of the department in strengthening the operational readiness and financial agility of the Armed Forces. CMA Manoj Kumar Anand, Chairman, Professional Development & CPE Committee represented the Institute in the Panel Discussion on the topic "From Defence Accounts and Finance to Defence Accounts, Finance and Economics: Roadmap for Accounts and Budget (including legal challenges)".

IICA North East Conclave 2025

I am pleased to share that ICMAI actively participated in the IICA North East Conclave 2025, held on 11th and 12th July 2025 at Shillong to mark the operational commencement of IICA Shillong, the newly established regional campus dedicated to the North Eastern Region (NER).

The two-day conclave, themed “Ideation to Incorporation” focused on fostering entrepreneurship, promoting skilling and enabling the startup ecosystem across the North Eastern States. The inaugural session was graced by Hon’ble Union Minister of Finance & Corporate Affairs Smt. Nirmala Sitharaman, Hon’ble Chief Minister of Meghalaya Shri Conrad K. Sangma and senior dignitaries from the Ministry of Corporate Affairs, Government of Meghalaya and IICA.

ICMAI signed an MoU with IICA, furthering collaboration in professional education and skilling initiatives for the region. I had the honour of being invited as a Distinguished Speaker in the prestigious “Power Talk” session, alongside the Presidents of ICAI and ICSI, as well as eminent leaders from the banking, fintech and development sectors. The event also featured eight thematic panel discussions focusing on key areas such as startup funding, innovation incubation, policy support, governance, go-to-market strategies and employability skills. I am proud to mention that CMA TCA Srinivasa Prasad, Vice President, ICMAI along with my Council Colleagues CMA Rajendra Singh Bhati and CMA Chittaranjan Chattopadhyay contributed meaningfully as panellists during these sessions.

ICMAI’s participation in the IICA North East Conclave 2025 underscored its strategic commitment to inclusive professional education and regional development. The Institute reaffirmed its role as a knowledge partner and skill enabler for the North Eastern Region, aligned with the broader national vision of sustainable entrepreneurship under Amrit Kaal.

International Yoga Day Celebration

I am pleased to share that the Institute celebrated the 11th International Yoga Day on 21st June 2025 at the Headquarters of the Institute at CMA Bhawan, Lodhi Road, New Delhi. I had the privilege of participating in the celebrations alongside CMA

TCA Srinivasa Prasad, Vice President of the Institute, esteemed Council Members, and enthusiastic participation from our members, students, and staff.

A certified yoga instructor led a two-hour session that included various asanas (postures), pranayama (breathing techniques), and meditation practices as prescribed by the Ministry of AYUSH. Participants enthusiastically engaged in the guided session, maintaining discipline and decorum throughout. The session concluded with a brief meditation and the chanting of ‘Om,’ which instilled a sense of peace and positivity among all attendees.

This celebration successfully reinforced the significance of yoga as a powerful tool for physical fitness, mental strength, and social well-being, aligning with the Institute’s commitment to promoting a healthy and balanced lifestyle among our members, students, and staff.

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

It was a moment of great pride for me to attend the joint programme for inauguration of the 2025–26 batch and the valedictory session of the 2024–25 batch of the Certificate in Accounting Technicians (CAT) Course, conducted under the collaboration between the Institute of Cost Accountants of India and the Directorate General of Resettlement (DGR), Ministry of Defence. The event, held on 6th June 2025 at the Madurai Chapter, reflects our steadfast commitment to supporting the resettlement of retiring and retired JCOs/OR and their equivalents by equipping them with relevant, industry-ready accounting skills. I was truly inspired by the enthusiasm of the outgoing batch and encouraged by the fresh energy of the incoming participants.

The presence of CMA TCA Srinivasa Prasad, Vice President, ICMAI and CMA Rajendra Singh Bhati, Chairman – CAT, added immense value to the programme. Their insights, encouragement, and commitment to the cause of vocational training for ex-servicemen through our CAT course reinforced the significance of this initiative. I would also like to acknowledge the dedicated efforts of the Managing Committee Members of the Madurai Chapter, whose excellent coordination and hospitality ensured the seamless execution of the event.

The CAT Course for DGR continues to progress successfully marked by the commencement of additional batches at the Cochin, Lucknow, Ranchi and Bhubaneswar Chapters of the Institute.

The inaugural function for the Lucknow Chapter was held on 26th June 2025 graced by the esteemed presence of Brigadier Jaydeep Yadav, Additional Director General (ADG), and Lt. Col. Prashant Mishra, Joint Director, Directorate Resettlement Zone (Central), DGR, Ministry of Defence. At the Cochin Chapter, the inaugural function was conducted on 27th June 2025 honoured by the presence of CMA TCA Srinivasa Prasad, Vice President, ICAI. The Bhubaneswar Chapter held its inaugural function on 9th July 2025 in the august presence of Col. K. G. Mohanty, DGR. Similarly, the inauguration of the CAT Course batch at Ranchi Chapter was held on 10th July 2025 graced by Lt. Col. Jawahar Singh, Rajput Regiment, Dipatoli Military Station, Ranchi.

During FY 2024-25, ICAI conducted 12 CAT course batches under DGR whereas in the first quarter itself of FY 2025-26, 11 batches have already started. It reflects the continued commitment of the CAT Directorate and the Institute towards the effective implementation of the CAT Course under the aegis of the Directorate General of Resettlement (DGR) and the trust DGR has shown on the ICAI and its growing impact on the professional reintegration of ex-servicemen.

As President of the Institute, I reaffirm our commitment to further strengthening this collaboration with the Ministry of Defence and DGR. We remain focused on scaling up this impactful initiative through enhanced academic support, digital learning tools, and structured career services. I extend my gratitude to all involved and look forward to seeing many more such empowering milestones in the journey of nation-building through skill development through our CAT Course.

Special Publication: "Role of CMAs in Viksit Bharat 2047"

It gives me immense pleasure to announce the forthcoming release of the special publication titled "Role of CMAs in Viksit Bharat 2047", reflecting the Institute's commitment to India's development vision by the centenary of Independence. This publication features insights and contributions from eminent CMAs and holds special significance as it is being

released in collaboration with the Governor's House, West Bengal. I extend heartfelt thanks to Dr. C. V. Ananda Bose, Hon'ble Governor of West Bengal, for his gracious support, which adds dignity and prominence to this initiative and underscores the profession's relevance in national progress.

Fostering Academic and Research Collaboration with NFSU

I am pleased to inform that the Institute is set to sign a significant Memorandum of Understanding (MoU) with the National Forensic Sciences University (NFSU) on 18th July 2025. This collaboration aims to promote academic and research cooperation in areas of mutual interest. The MoU envisages initiatives such as: exchange of faculty; organizing symposia, conferences, workshops, and short courses; conducting joint research and continuing education programs; exchanging academic materials and publications; and developing curriculum and staff skills through attachments and training. Importantly, the MoU also provides for short-term certification and training programs for Cost Accountants in Forensic Accounting & Fraud Investigation, Data Security, Cyber Security, and Anti-Money Laundering, enhancing the professional scope and competence of CMAs in emerging and critical fields.

As I bid adieu, I do so with immense pride in all that we have achieved together and with complete faith in the future of our great Institute. I am confident that ICAI will scale even greater heights under the dynamic leadership of my successors and the continued dedication of each one of you.

The future of the CMA profession is bright and with your unwavering commitment, ICAI will continue to be a driving force for transparent governance, cost efficiency and sustainable development, both in India and globally.

With warm regards,



CMA Bibhuti Bhusan Nayak

July 12, 2025

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

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 June 2025, a synopsis of which is presented herein under:

A. Webinars

i. Role of CMAs in Life Reinsurance

The BFSI Board organized a Webinar on 26th June 2025 on the topic of Role of CMAs in Life Reinsurance. CMA P N Murthy, Life Insurance Consultant and BFSI Board Member was the Speaker.

ii. Challenges and Successful Outcomes in Infrastructure Projects

The BFSI Board organized a Webinar on 30th June 2025 on the topic of Challenges and Successful Outcomes in Infrastructure Projects. CMA (Dr.) Chivukula Vasudev, Freelance Consultant was the Speaker.

B. Certificate Courses of BFSI

The admission for the 10th batch of the Certificate Course of Treasury, 12th batch of the Certificate Course on Credit Management in Banks and 12th batch of the Certificate Course on Concurrent Audit in Banks is going on.

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

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

C. Seminar in association with Guwahati Chapter, ICAI and ICAI Social Auditors Organization

The BFSI Board, ICAI in association with the Guwahati Chapter, ICAI and ICAI Social Auditors Organization organized a Seminar on the topic of “Social Stock Exchange: Role of Professionals” at Guwahati on 14th June, 2025. The event was organized in the Learning and Development Centre, Guwahati Refinery, IOCL. Shri Jeevan Sonparote, Executive Director, SEBI was the Chief Guest. CMA (Dr.) S.K.Gupta, CEO, ICAI Social Auditors Organization was the speaker in the technical session.

D. 17th ICC Mutual Fund Summit 2025 organized by ICC in association with BFSIB, ICAI

The Indian Chamber of Commerce in association with BFSI Board of ICAI organized 17th ICC Mutual Fund Summit 2025 on 21st June, 2025. BFSIB, ICAI was the knowledge partner for the event. Shri Manoj Kumar, Executive Director, Securities and Exchange

Board of India was the Chief Guest. It was attended by the fraternity of leaders in the capital markets.

CAT DIRECTORATE

The Chapters & CAT ROCCs Meet held on 13th June 2025 at Thrissur Chapter of Cost Accountants, was a resounding success. Organised under the dynamic leadership of CMA Rajendra Singh Bhati, Chairman – CAT & Council Member, ICAI, the event brought together a vibrant mix of Chapters’ representatives and ROCCs.

The meet witnessed active participation from Chairmen, Secretaries, and Managing Committee Members of various Chapters, as well as authorized representatives from ROCCs. Senior officials from the CAT Directorate and host Chapter were also present. The programme commenced with a welcome address by the Chairman of the Thrissur Chapter, followed by an overview of the objectives of the meeting. The inaugural address was delivered by CMA Rajendra Singh Bhati, who emphasized the need for curriculum updates, better student engagement, and structured coordination among stakeholders. CMA Harshad Shamkant Deshpande, CMA Chittaranjan Chattopadhyay, CMA Dr. K Ch A V S N Murthy, Council Members also addressed the gathering. CMA Himanshu Agarwal & CMA Saurabh Singh Raghav, Co-opted Members of Committee for Accounting Technicians and CMA Y Srinivasa Rao, Vice-Chairman, SIRC of ICAI presented their views as well about the CAT course.

It was truly heartening to witness the energy and openness with which participants engaged in discussions on strengthening the Certificate in Accounting Technicians (CAT) Course. The exchange of ideas around syllabus revision, fee sharing mechanism, admissions, examination and student support systems was both insightful and inspiring.

We look forward with great optimism to the implementation of the many constructive suggestions that emerged during this meaningful meet. Let this be the first of many such productive engagements as we move forward, together, in shaping a stronger future for the CAT course.

DIRECTORATE OF STUDIES

- ⦿ CMA Students E-bulletin gets uploaded on monthly basis.
- ⦿ Work Books on the Practical Papers have been uploaded for the Intermediate and Final Level

Students.

- ⊙ All the Online classes of June, 2025 term has been uploaded in recorded version and are available for both Oral and Postal Students.
- ⊙ Skill training assessments for students from the June 2021 to June 2024 batches have been scheduled to begin from 2nd July, 2025.
- ⊙ The schedule for both online and offline SAP training for the final course (June 2025 term) will be released shortly. The required training is tentatively scheduled to begin from 4th July, 2025.
- ⊙ MS Office, E-filing, and Tally classes for the students of June 2025 term are tentatively scheduled to commence from 7th July, 2025.

MEMBERSHIP DEPARTMENT

During the month of June 2025, we proudly welcomed 144 new members who were granted Associate membership and the 42 associate members who were upgraded to Fellowship. We extend our heartfelt congratulations to each of them and warmly welcome all to the ever-growing CMA fraternity.

To continue enjoying the benefits of membership, all members with outstanding dues for the year 2025–26 or earlier are kindly requested to clear their dues at the earliest convenience. We encourage using the online payment facility available through the members' portal via the link: <https://eicmai.in/MMS/PublicPages/UserRegistration/Login-WP.aspx> (without login).

Members who were unable to renew their Certificate of Practice (COP) are requested to initiate the restoration process, which will begin this month for your convenience. Kindly take advantage of this opportunity to ensure your practice continues without interruption.

We invite all members to visit the official ICAI website and explore the wide range of benefits available through your CMA membership. Make the most of the opportunities and resources designed to support your professional growth and success.

MSME & START-UP PROMOTION BOARD

The MSME & Start-up Promotion Board (MSPB), under the Chairmanship of CMA Suresh R. Gunjalli successfully conducted the following webinars by the eminent speakers, to celebrate the MSME month during the month of June 2025:

- i. Avenues of Bank Finance for MSME and Start-ups – Speaker, CMA Balbir Singh, General Manager, Panjab National Bank
- ii. Uplifting Indian MSMEs - A Glance on Government Schemes- Speaker, Dr. Sivapriya Chellappa, Co-Founder, JNANA VIKAS JAGRATI

- iii. MSME - Value Creation & ESG Integration – Speaker, CMA Siddhartha Pal, Management Consultant & ESG Expert
- iv. Success Mantra for a Startups – Speaker, CMA Jyotsna Rajpal, Practicing Cost Accountant
- v. AI Powered MSMEs - The Digital Transformation – Speaker, CMA Vikita Subudhi, Practicing Cost Accountant cum Faculty
- vi. Importance of Cost Analysis & Process Mapping for Start-ups – Speaker, CMA Dr. Jayaram Ramakrishnan

The following Seminars were organised by the MSME and Start up Promotion Board to celebrate the MSME month in association with the Chapters of the Institute:

- i. Mangalore Chapter - One Day Seminar - MSMEs: Driving Economic Growth Through Financial Excellence, Cost Management & Sustainability
- ii. Coimbatore Chapter - One Day Seminar - MSME's - Current Trends & Challenges
- iii. Salem Chapter - One Day Seminar - Strategic Partners for Progress: CMAs Enabling MSME Success
- iv. Trivandrum Chapter - Half Day Conclave on MSMEs and Start up
- v. Kozhikode, Malappuram Chapter - One Day Seminar- Starting Right - A Foundational seminar for Entrepreneurs
- vi. Pimpri Chinchwad Chapter - Joint Programme with MSPB on “From Survival to Scale: Can MSMEs Become the Next Unicorns”

We are sure that the members have really enjoyed the Webinars and Seminars and there was a great takeaway for the members.

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

The Professional Development & CPE Directorate successfully concluded the 13th Batch of Online Mandatory Capacity Building Training (MCBT) on 27th June 2025. The technical sessions were very much appreciated by the participants. The eligible CoP holders must ensure to undertake this mandatory training. For details <https://eicmai.in/MCBT/Home.aspx>

The PD & CPE Committee is organising Interactive Webinar Series for Practitioners on “Companies (Cost Records and Audit) Rules, 2014 and Cost Audit Formats” to sensitize the practicing members to ensure adherence to the provisions of the Companies Act, 2013, CCRA Rules, 2014 and prescribed formats and also to enhance the overall quality of cost audit reports. The practitioners actively participated in the discussions in all the four sessions covering the Forms, Code of ethics, including

Independence Standards and quality of services by the members.

The PD & CPE Committee of the Institute supported by the Task Force on the Convergence of Cost Accounting and Carbon Accounting organized a workshop on 'Environmental Costing' on June 17, 2025, at The India Habitat Centre, Lodhi Road, New Delhi graced by the Guest of Honour, Ms. Nirupma Kumar, Chief Administrative Officer (Accounting Reforms) at Northern Railway, who emphasized the critical need to quantify the impact of carbon emissions and the government's commitment to achieving net-zero emissions in the coming years. A Guidance Note on Environmental Costing was released which is available on the Institute's website. These sessions were appreciated by the participants from various PSUs and members.

In the continued Webinar Series, a discussion with the practitioners by the PD & CPE Committee, the 18th Webinar was conducted on "Growing Your Consultancy Practice for Market Leadership" on 4th June 2025 wherein Shri Jyoti Prakash Gadia, Government Nominee, ICAI and Managing Director, Resurgent India Limited presented his perspective in the interest of CMAs.

The PD & CPE Committee in collaboration with the Ministry of Corporate Affairs (MCA), organised an Awareness Programme through a webinar on "MCA-21 Migration from V2 to V3" on 6th June 2025 wherein highlighted the changes in MCA-21.

During the month, Webinar session was conducted on the "Opportunities for CMAs with ADB in Financial Management" on 10th June 2025, a webinar in association with ICAI Social Auditors Organisation was conducted on the topic "Strategies for Environmental Protection" on 5th June 2025. A Seminar was conducted in association with PHD Chamber of Commerce and Industry on the topic "Financial Reporting & Group Audits" on 6th June 2025 at PHD House, New Delhi.

During the month of June, around 80 programmes in Physical mode and 40 programmes in online mode were organised by the different Committees, Regional Councils and Chapters of the Institute on various topics such as Importance of Cost Analysis & Process Mapping for Start-ups, Avenues of Bank Finance for MSMEs and Start Ups, Equity and Derivatives Market - Current trends, Relief Against Oppression and Mismanagement under Sections 241 & 242 of the Companies Act, 2013, AI Powered MSMEs - The Digital Transformation, Filing on MCA V3, exploring opportunities and overcoming challenges, Cyber Security Governance, Role of CMAs in Life Reinsurance, Revision under section 263 or 264 of the Income Tax Act, Visualize to Realize : Tableau for Smart Decision –Making, Internal Audit - Trends and Challenges, Bond and Equity Listing in the IFSC- The

route to sustainable economic growth and so on. We are sure that our members are immensely benefited with the deliberations in the sessions.

Please visit the PD Portal for Tenders/EOIs where services of the Cost Accountants are required in Indian Institute of Management, Raipur, Andrew Yule & Co. Ltd. (AYCL), RailTel Corporation of India Limited, HSCC (India) Limited, PFC Consulting Limited, Rajasthan State Mines and Minerals Limited, Engineering Projects (India) Ltd, Nagar Panchayat -Latehar, Jharkhand, Eastern Coal Fields Limited, Advanced Weapon and Equipment India Limited, Kanpur, Chhattisgarh State Power Distribution Company Limited, Punjab National Bank – Ahmedabad, Hindustan Steelworks Construction Limited Gliders India Limited, Andhra Pradesh Industrial Infrastructure Corporation Limited, Uranium Corporation of India Limited, etc.

SUSTAINABILITY STANDARDS BOARD

The Sustainability Standards Board organized the 33rd Webinar of the Vasudhaiva Kutumbakam series held on 30th May, 2025 on the topic "Sustainability Practises in Corporates: The Middle East Perspective". CMA Dattatraya Ghadge, Financial Controller, Awal Gulf Manufacturing was the speaker.

The 34th Webinar of the Vasudhaiva Kutumbakam series was held on 13th June, 2025 on the topic "Bond and equity listing in the IFSC- The route to Sustainable Economic growth. Shri Saurabh Kumar Manager, IFSCA and Shri Akash Boddeda, Assistant Manager, IFSCA were the speakers.

The 35th webinar of the Vasudhaiva Kutumbakam series was held on 27th June, 2025 on the topic of Sustainability in Accounting. CA (Dr.) Bharat Patel, Faculty Member in Accountancy, Mithibai College was the speaker.

The Sustainability Standards Board released Volume XXIII, June 2025 edition of the monthly newsletter Sukhinobhavanu.

Link to download: https://icmai.in/upload/Institute/Updates/SSB_June_2025.pdf

The 4th batch of the Certificate Course on ESG started from 28th June, 2025. The batch is attended by more than 70 participants from diversified backgrounds.

INTERNAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)

The Internal Auditing and Assurance Standards Board (IAASB) in collaboration with the Professional Development & Continuing Professional Education (PD & CPE) Committee at JN Bose Auditorium, CMA Bhawan, Kolkata on 7th June, 2025. The theme of the seminar was "Professional Avenues for CMAs and Internal Audit in the Area of Artificial Intelligence."

The seminar was honored by the presence of CMA Manoj Kumar Anand, Council Member, ICAI, who was also the speaker. CMA Manoj Kumar Anand shed light upon the professional opportunities for CMAs in the current scenario. Other speakers included CMA R. Veerabahu, CMA Kallol Mitra, CMA Ravi Kr. Gupta, and Shri Aninda Ghosh. Their expert insights illuminated the evolving role of CMAs and internal auditors in an increasingly AI-driven business landscape.

During the session, we explored how Artificial Intelligence is revolutionizing internal audit practices, enhancing risk management, automation, fraud detection, and decision-making processes. The speakers underscored the pressing need for finance and audit professionals to embrace technological advancements and leverage AI to drive efficiency, accuracy, and strategic value creation.

This event served as a vital platform for CMAs and other professionals to deepen their understanding of integrating AI into internal audit frameworks while upholding ethical practices, data governance, and regulatory compliance. The discussions highlighted the growing demand for professionals who possess a blend of domain expertise and technological proficiency, ensuring their relevance in a rapidly evolving environment.

The enthusiastic participation from members, students, and professionals reaffirmed our Institute's commitment to empowering CMAs with future-ready skills and reinforcing the profession's pivotal role in fostering organizational resilience in the age of Artificial Intelligence.

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 June 2025.

- ⦿ A Workshop on Not Readily Realisable Assets (NRRA) was conducted on June 6, 2025. This workshop focused on the treatment and management of Not Readily Realisable Assets under IBC. Participants gained insights into identifying, valuing, and realizing NRRA, and understanding the regulatory framework. Expert sessions facilitated interactive learning and Q&A.
- ⦿ An Executive Development Program "Navigating the NCLT & NCLAT Landscape" was organised by IPA-ICMAI from June 13 to 15, 2025.

This program provided insights and practical knowledge on navigating the NCLT and NCLAT landscape. Participants learned about the roles and responsibilities of NCLT and NCLAT and gained a deeper understanding of the judicial processes and procedures. Expert sessions facilitated interactive learning and case study discussions.

- ⦿ A Roundtable on Insolvency Insights: Navigating Challenges for best Practices vis-à-vis Statutory Authorities in association with Hyderabad Insolvency Professionals Association was held on June 14, 2025, Hyderabad. This roundtable discussion brought together experts to share insights and best practices on navigating challenges with statutory authorities. Participants engaged in interactive discussions and gained valuable insights into managing relationships with statutory authorities and resolving disputes.
- ⦿ Seminar on "Balancing Interest of Stakeholders under the processes of IBC" conducted by IPA-ICMAI in association with the cochin Chapter of ICAI on June 20, 2025. This seminar focused on balancing the interests of stakeholders under the processes of IBC. Participants gained insights into the competing interests of stakeholders and learned strategies for balancing these interests in a fair and transparent manner. Expert sessions facilitated interactive learning and case study discussions.
- ⦿ A Workshop on "Insolvency of Personal Guarantors" - Evolving Landscape and Ground Realities was held on June 20, 2025. This workshop explored the evolving landscape and ground realities of insolvency of personal guarantors. Participants gained insights into the legal and regulatory framework, and understood the implications of recent judgments and developments. Expert sessions facilitated interactive learning and Q&A.
- ⦿ IPA-ICMAI organized an Advance Workshop on "Avoidance Transactions under IBC, 2016", from June 28 to 29 2025 covering topics such as analysis of financial statements, identification of red alerts, forensic audits, and jurisprudential developments. The workshop provided expert insights and practical knowledge on avoidance transactions. Key aspects of IBC Sections 43-51 were also discussed.
- ⦿ In its endeavour to promote the profession, knowledge sharing and sensitisation of the environment, IPA ICAI published Au-Courant (Daily Newsletter), a weekly IBC Dossier, and a monthly e- Journal which are hosted on its website.



FROM THE DESK OF CHAIRMAN

Co-operative Development Board
The Institute of Cost Accountants of India

CMA Navneet Kumar Jain

Dear Readers,

As India is moving ahead in the cooperative sector through various initiatives by the ministry of Cooperation, it is evident that we are steadily marching forward to realize our vision of 'Sehkar se Sapne Sakaar' and 'Sehkar se Samriddhi'.

It gives me immense pleasure to extend my heartfelt greetings to all as we celebrate July' 2025 as the Month of Cooperatives and release this prestigious issue of our Institute's monthly journal 'Management Accountant' as a special issue on **Cooperatives**; during the International Year of Cooperatives (IYC-2025)—an occasion that honours the spirit of unity, resilience, and shared progress. We CMAs had celebrated the International Cooperative Day Last year and this year too programmes are being planned across India by various Chapters.

With growing number of Cooperatives, there is dire need of professionals for the hand holding so that the cooperatives remain sustainable. Our Cooperative Development Board recently came up with the Guidance Note on Cooperatives which has been well received by the regulators and cooperators across India.

As part of our endeavours to assist the cooperative sector, we have got in touch with various state government authorities and/or cooperatives unions so that we can offer a helping hand in training the cooperative sector employees or departmental officials.

Cooperatives have long stood as a testament

to what communities can achieve when driven by collective purpose and mutual support. In a world that continues to grapple with economic disparities and social challenges, cooperatives offer a sustainable and inclusive model of development—one that empowers individuals while strengthening the fabric of society.

This special issue is a tribute to the cooperative movement's enduring values: self-help, democracy, equality, equity, and solidarity. Through the articles, insights, and achievements featured in these pages, we celebrate not only our past milestones but also the dynamic role cooperatives continue to play in shaping a better, fairer future.

At the Institute of Cost Accountants of India, we remain committed to fostering innovation within our cooperative systems, encouraging youth engagement, and enhancing member participation across all levels. Our mission is not only to grow but to grow together.

Let this Month of Cooperatives renew our resolve to work collaboratively, inspire change, and uplift communities—because when we cooperate, we thrive.

Warm wishes,

CMA Navneet Kumar Jain

July 12, 2025

Glimpses of 12th National Students' Convocation - 2025

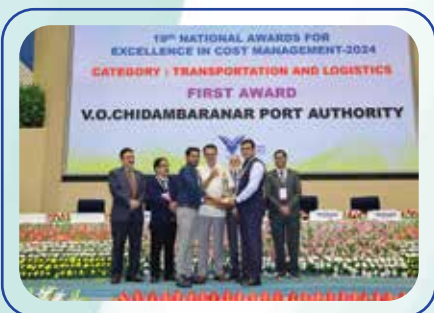
23rd June 2025, Vigyan Bhawan, New Delhi





Glimpses of the 19th National Awards for Excellence in Cost Management - 2024 held on 23rd June, 2025 at Vigyan Bhawan, New Delhi. Shri Bhartruhari Mahtab, Hon'ble Member of Parliament (Lok Sabha) & Chairperson, Standing Committee on Finance graced the occasion as Chief Guest and presented the Awards





Glimpses of the 8th CMA Awards - 2024 held on 23rd June, 2025 at Vigyan Bhawan, New Delhi. Shri Bhartruhari Mahtab, Hon'ble Member of Parliament (Lok Sabha) & Chairperson, Standing Committee on Finance graced the occasion as Chief Guest and presented the Awards





Obituary
In Loving Memory of
CMA Sankar Dutta
President, ICAI (1990-91)



The members of the Council of The Institute of Cost Accountants of India express their deep sorrow and profound grief on the sad demise of CMA Sankar Dutta, Former President of the Institute (1990-91), who left for heavenly abode on June 28, 2025. His contribution for the development of the Institute and CMA profession shall always be remembered.

We convey our heartfelt condolences to the bereaved members of his family on this irreparable loss. We pray to the Almighty to give eternal peace to the departed soul and much-needed strength to his family during this time of sorrow.

MAY HIS SOUL REST IN ETERNAL PEACE

A handwritten signature in blue ink, appearing to read 'Bibhuti'.

CMA Bibhuti Bhusan Nayak
President, ICAI





CMA Bibhuti Bhusan Nayak, President, ICAI, CMA M K Anand, Council Member, ICAI called on Shri Dharmendra Pradhan, Hon'ble Education Minister on 03.06.2025 and extended a cordial invitation to grace the 12th National Students' Convocation-2025 as 'Guest of Honour'



A delegation led by CMA Bibhuti Bhusan Nayak, President, ICAI met Hon'ble Governor of West Bengal, Dr. C.V. Ananda Bose at Raj Bhavan, Kolkata on 30.06.2025 and discussed the matters related to the Institute and CMA profession



CMA B B Nayak, President, ICAI, CMA M K Anand, Council Member, ICAI along with senior officials of PFC Limited, CMA R K Malhotra and CMA Rajesh Kr Agarwal, called on Shri Harsh Malhotra, Hon'ble Union MoS for Corporate Affairs on 30.05.2025 and extended a cordial invitation to grace the Presentation Ceremony of 19th National Awards for Excellence in Cost Management-2024 and 8th CMA Awards-2024 as 'Chief Guest'



Inaugural of CAT Course under DGR (Calendar 2025-26) on June 6, 2025 at Madurai, graced by CMA Bibhuti Bhusan Nayak, President - ICAI, CMA TCA Srinivasa Prasad, Vice President - ICAI, CMA Rajendra Singh Bhati, Council Member and Chairman - CAT, MC Members of Madurai Chapter & Invitees



Signing of Agreement between ICMAI and IIT- Madras for providing online LMS platform and video recording services for the Students/Members of ICMAI, on 11.06.2025 at CMA Bhawan, Delhi



Meeting with Shri Sukhdev Bhagat Honorable MP (Lok Sabha) from Lohardaga, Jharkhand, to discuss the definition of "Accountant" in the New Income Tax Bill. The meeting was attended by CMA Navneet Jain and CMA Harshad Deshpande Council Member, and CMA Bidyadhar Prasad (RCM-EIRC). CMA Bidyadhar Prasad took the initiative to organize this discussion



Inaugural of CAT Course under DGR(Calendar 2025-26) on June 27, 2025 at Cochin, graced by CMA TCA Srinivasa Prasad, Vice President-ICMAI, and MC Members of Cochin Chapter



CMA M K Anand, Council Member, ICMAI and CMA B B Goyal, Chief Advisor, ICMAI MARF, called on Mrs. Ravneet Kaur, IAS, Chairperson, Competition Commission of India (CCI) and NFRA on 05.06.2025 to discuss the matters related to the Institute and CMA profession



Inaugural of CAT Course under DGR (Calendar 2025-26) on June 26, 2025 at Lucknow, graced by Brig. Jaydeep Yadav, ADG with Lt. Col. Prashant Mishra, Joint Director, Directorate Resettlement Zone (Central), DGR, Ministry of Defence; CMA (Dr.) Sunil Kumar Singh, Former Chairman NIRC and MC Members of Lucknow Chapter



Shri Jeevan Sonparote, Executive Director, SEBI deliberating on the Seminar titled "Social Stock Exchange: Role of Professionals" held on 14.06.2025 at Learning and Development Centre, Guwahati Refinery, IOCL at Guwahati organized by the BFSIB, ICMAI in association with Guwahati Chapter, ICMAI and ICMAI SAO

REGULATORY FRAMEWORK AND COMPLIANCES: BEST PRACTICES, ISSUES, AND HURDLES IN IMPLEMENTATION FOR THE COOPERATIVE SECTOR IN INDIA

Abstract

In India, especially in rural and semi-urban areas, the cooperative sector serves as a fundamental pillar for promoting socioeconomic development. With more than 800,000 cooperatives dispersed across various industries, including dairy, credit, housing, and agriculture, the sector plays a vital role in promoting financial inclusion, job creation, and democratic engagement. The cooperative ecosystem has a complicated and disjointed regulatory environment, which hinders its broad reach and potential. This article focuses on the development of cooperative regulation in India, evaluates best compliance practices, and challenges in successful implementation. Further, the article provides valuable suggestions for better governance and harmonisation of regulations through the examination of policy gaps and institutional reforms. Building a strong and open cooperative system is essential for inclusive and sustainable growth, especially in light of India's renewed emphasis on **"Sahakar se Samriddhi."** (Prosperity through Cooperation).

Introduction

Cooperatives are business organisations focused on the community that function according to the values of equitable distribution, democratic control,



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voluntary participation, and mutual aid. Approximately 98% of rural India is covered by one of the biggest cooperative networks in the world (NCDC, 2021). People with similar interests, particularly under-represented groups, can pool resources, share benefits, and improve socioeconomic standards through the cooperative structure.

The cooperative sector's significant contributions include 20% in agricultural loans, 35% in fertiliser distribution, 31% in sugar production, 13% in wheat purchase, and 20% in paddy purchase.

International Day of Cooperatives is celebrated on the first Saturday of July every year. On 5 July 2025, the world will mark the International Day of Cooperatives with the theme:

"Driving Inclusive and Sustainable Solutions for a Better World." This year's theme highlights how cooperatives are addressing some of today's most pressing global challenges, including inequality,

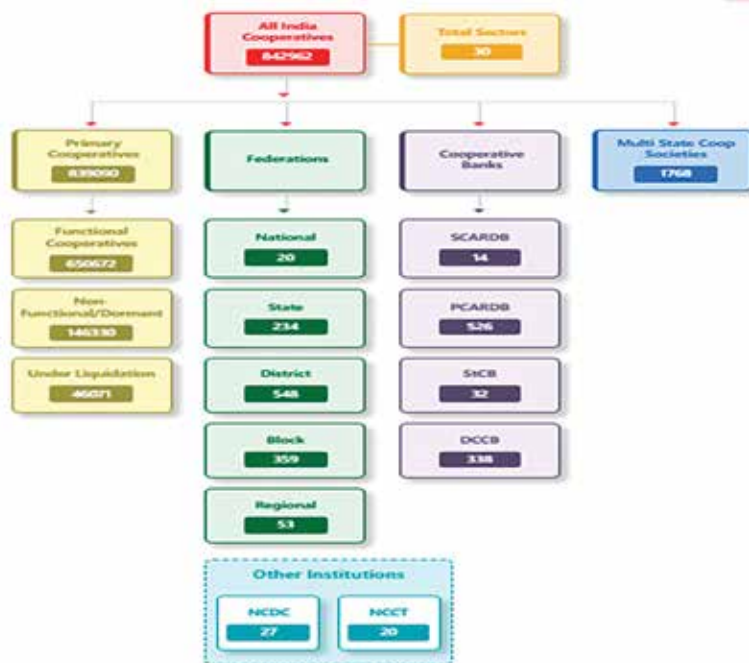
climate change, job insecurity, and fragile food systems.

By prioritising people and the planet over profit, cooperatives are demonstrating that community-led solutions can create a more inclusive, resilient, and

sustainable future for all.

This article examines India's cooperative regulatory framework, evaluates industry and state best practices, and identifies the challenges to implementing effective compliance norms.

Picture 1: Cooperative Societies in India at a Glance (As of 16.06.2025)



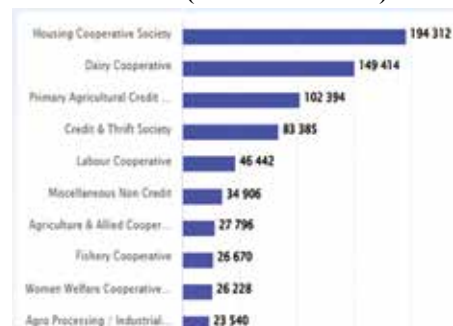
Source: <https://cooperatives.gov.in/en>

Cooperatives have been vital to India's agricultural and dairy revolutions, but the sector has struggled due to inconsistent compliance, political interference, and weak law enforcement. The 97th Constitutional Amendment and the Multi-State Cooperative Societies Act, 2002 (MSCS Act) are two of the reforms implemented by the Indian government and regulators in recognition of these difficulties. However, several governance and compliance issues persist, which foster mistrust and inefficiencies.

Picture 2: Top Ten State-Wise Primary Cooperative Societies (As of 16.06.2025)



Picture 3: Top Ten Sector-Wise Primary Cooperative Societies (As of 16.06.2025)



Source: <https://cooperatives.gov.in/en>

Historical Evolution and Legal Framework

⦿ Colonial Genesis

India's cooperative history starts with the enactment of the Cooperative Credit Societies Act of 1904, introduced

by the British government to eradicate rural poverty. It laid the foundation for community-based microcredit mechanisms and introduced the concept of member-owned institutions.

Non-credit cooperatives like consumer and marketing societies are included in the Cooperative Societies Act of 1912.

⦿ Post-Independence Developments

Post-1947, the Planning Commission identified cooperatives as key vehicles for rural development. Cooperative institutions were integrated into India's Five-Year Plans, supporting large-scale cooperative credit societies, marketing federations, dairy cooperatives (e.g., Amul), and primary agricultural credit societies (PACS).

⦿ The 97th Constitutional Amendment (2011)

The most significant reform in cooperative legislation was the 97th Amendment, which provided constitutional status to cooperatives under Part IXB alongside Panchayati Raj institutions. It introduced uniform principles for the democratic functioning of cooperatives, including:

- ▲ Regular elections every five years
- ▲ Independent professional auditing
- ▲ Restrictions on supersession of elected boards
- ▲ Empowerment of cooperative members
- ▲ Right to form cooperative societies under Article 19(1)(c)

However, its application to state cooperatives was later limited by the Supreme Court in 2021, ruling that such provisions apply only to multi-state cooperatives unless ratified by state legislatures (SC Verdict, 2021).

Regulatory Architecture: Multi-Layered and Fragmented

India follows a **dual regulatory system** for cooperatives:

⦿ State Cooperative Societies Acts

Every state has its legislation governing intra-state cooperatives. The Registrar of Cooperative Societies (RCS) oversees registration, elections, audits, and the resolution of disputes. For example, Maharashtra's cooperative law is seen as one of the most developed that provides a three-tier structure for agriculture and credit cooperatives.

⦿ Multi-State Cooperative Societies Act, 2002

This central legislation governs societies operating in multiple states. It provides a comprehensive framework for governance, transparency, and grievance redressal. The Central Registrar under the Ministry of Cooperation is the regulatory authority. Examples include IFFCO, KRIBHCO, and Amul.

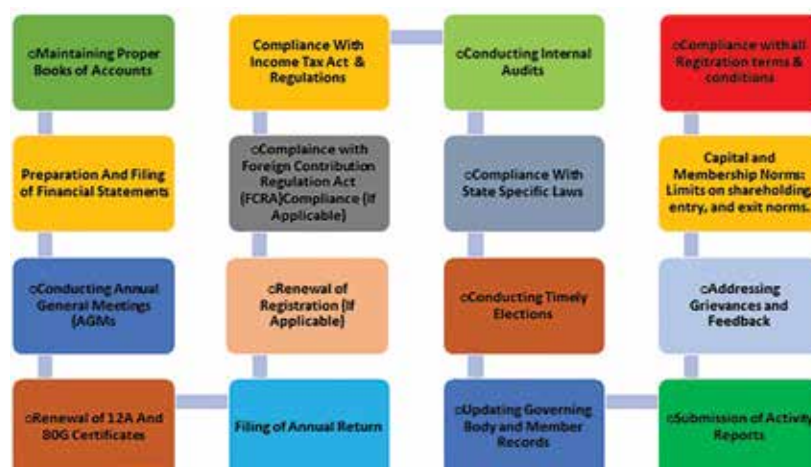
⦿ Reserve Bank of India and NABARD

For cooperative banks, both urban and rural, regulatory oversight is shared between the RBI, NABARD, and respective State Registrars, leading to coordination issues. The RBI's jurisdiction encompasses prudential norms, licensing, capital adequacy, and inspections, while the RCS controls administrative aspects.

Key Compliance Requirements

Cooperatives face strict regulatory and financial norms as they mostly deal with people from the lower strata of society and have a social impact. Compliance requirements include:

Picture 4:



Source: <https://www.compliancecalendar.in/learn/annual-compliance-checklist-for-societies-in-india>
Non-compliance may result in penalties, disqualification, or deregistration.

Best Practices in Compliance and Governance

Certain progressive cooperatives and state governments have adopted best practices to strengthen compliance:

⦿ Digital Transformation

States like Maharashtra and Gujarat have digitised cooperative records and introduced e-filing for returns, audit tracking, and AGM notifications. Digital dashboards are used to promote transparency and facilitate effective communication among members.

⦿ Autonomous Election Authorities

Establishing autonomous cooperative election commissions has ensured the timely and impartial conduct of elections (e.g., Karnataka).

⦿ Model Bye-laws and SOPs

The adoption of uniform model bye-laws and standard operating procedures helps cooperatives align with central statutes and enhance governance (Ministry of Cooperation, 2023).

⦿ Independent Audit Panels

Empanelment of neutral third-party audit firms to avoid local influence and ensure credibility in reporting.

⦿ Member Education and Training

Federations such as NCUI, SEWA, and AMUL conduct regular training sessions for members and board representatives to raise awareness about their rights and responsibilities.

Challenges in Implementation

- ⤴ **Political Interference:** Politically appointed board members weaken transparency and accountability (Joshi, 2018).
- ⤴ **Dual Regulation Issues:** Urban Cooperative Banks face overlapping controls from RBI and state registrars, causing confusion.
- ⤴ **Audit & Election Delays:** Shortage of auditors leads to 2–3-year audit backlogs; elections are often postponed.
- ⤴ **Weak Internal Governance:** Many cooperatives skip AGMs and fail to share financial updates with members.
- ⤴ **Lack of Technical Know-how:** Rural

cooperatives struggle with digitisation and compliance due to skill gaps.

- ⤴ **Slow Dispute Resolution:** Long pending legal disputes reduce accountability and trust.
- ⤴ **Lack of awareness of member rights,** which limits active participation.
- ⤴ **Weaker institutional frameworks** in certain states in the north eastern region and certain parts of eastern India.

⦿ Legal Challenges and Judicial Interpretation

In a landmark 2021 ruling, the Supreme Court held that parts of the 97th Amendment couldn't apply to state-level cooperatives unless approved by at least half the states. The Court emphasised that trying to centralise control over cooperatives without proper legal steps violates India's federal structure, as cooperatives fall under the State List (Entry 32 of List II) in the Constitution.

This judgment created fresh challenges for multi-state regulatory harmonisation, resulting in reluctance from states to align with the Centre's model by-laws, fearing erosion of local autonomy.

Further, frequent litigation related to cooperative housing societies, especially around member expulsions, election tampering, and financial fraud, reflects both the growing demand for legal accountability and the insufficiency of internal grievance mechanisms within societies.

- ⦿ lower member participation due to insufficient technical infrastructure and inconsistent state support

Way Forward: Institutional Reforms and Government Initiatives

Considering the structural gaps, the Government of India launched the Ministry of Cooperation in 2021 to give focused attention to cooperative development. Key interventions include:

- ⦿ **Digital Cooperative Database:** Creation of a unified platform for registration, compliance tracking, and capacity building.
- ⦿ **Ease of Doing Business:** Simplified registration via online portals.
- ⦿ **Unified Cooperative Law:** Introduce a single National Cooperative Code to align state and central laws and reduce legal overlap.
- ⦿ **Digital Transformation:** Use blockchain for

secure records, real-time audits, and automated reporting.

- ⊙ **Stronger Registrar Offices:** Improve staffing, training, and enforcement powers of the Registrar of Cooperative Societies (RCS).
- ⊙ **Support Self-Regulation:** Encourage federations to adopt internal audits and peer reviews for better self-governance.
- ⊙ **Incentives for Good Governance:** Reward well-governed cooperatives with ratings or fiscal benefits.
- ⊙ **Legal Reforms:** Ensure quick dispute resolution through updated laws, enforce fair elections, and streamline fast recovery of dues.
- ⊙ **Youth and Innovation Focus:**
 - ▲ Support Cooperatives run by young people with grants and subsidies.
 - ▲ Introduce emerging technologies like Web3, smart contracts, and token-based governance to improve transparency and engagement.
- ⊙ **Stronger Regulatory Oversight**
 - ▲ Set up State Cooperative Regulatory Authorities aligned with the Central Registrar and RBI.
 - ▲ Equip them with digital tools to monitor AGMs, financial reports, and membership

records in real-time.

⊙ **Member Awareness and Inclusion**

- ▲ Launch a “Know Your Rights” initiative to educate cooperative members.
- ▲ Ensure quarterly operational and financial updates are shared via SMS or mobile apps, especially in credit and dairy cooperatives.

⊙ **Mandatory Governance Training**

- ▲ Require board members and managing directors to complete certified online training from NCUI or RBI-approved platforms.
- ▲ Disqualify uncertified individuals from holding key roles or contesting elections.

⊙ **Real-Time Auditing Tools:**

- ▲ Create a centralised “Cooperative Compliance Dashboard” for regulators and members to track audits, elections, and disputes.
- ▲ Enable data-driven oversight with tools like risk-based audit scheduling and digital procurement trails.

- ⊙ **Computerisation of PACS:** The Government of India has initiated a Centrally Sponsored Project to computerise functional Primary Agricultural Credit Societies (PACS) over a five-year period from 2022-23 to 2026-27.

Table 1: Status of Computerization of PACS (as of 21.11.2024)

S. No	States	PACS selected for Computerization	PACS tendered for hardware	Digitisation of records (DCT) Completed	PACS Computerized as of 21.11.24	PACS is yet to be on boarded on ERP
1.	Maharashtra	12,000	12,000	11,631	9,161	2,839
2.	Rajasthan	6,781	5,492	3,834	3,025	3,756
3.	Gujarat	5,754	5,754	5,423	3,838	1,916
4.	Uttar Pradesh	5,686	3,062	2,949	2,505	3,181
5.	Karnataka	5,491	5,491	4,046	487	5,004
6.	Madhya Pradesh	4,536	4,534	4,531	4,524	12
7.	Tamil Nadu	4,532	4,532	4,530	4,494	38
8.	Bihar	4,495	4,477	4,345	4,043	452
9.	West Bengal	4,167	4,167	521	148	4,019
10.	Punjab	3,482	3,482	1,973	1,580	1,902
11.	Andhra Pradesh	2,037	2,037	30	30	2,007
12.	Chhattisgarh	2,028	2,028	2,028	2,019	9
13.	Himachal Pradesh	1,789	870	865	829	960

14.	Jharkhand	1,500	1,500	1,435	1,403	97
15.	Haryana	710	710	703	687	23
16.	Uttarakhand	670	670	185	185	485
17.	Assam	583	583	579	567	16
18.	J&K	537	537	533	532	5
19.	Tripura	268	268	254	247	21
20.	Manipur	232	232	50	23	209
21.	Nagaland	231	231	33	33	198
22.	Meghalaya	112	112	108	108	4
23.	Sikkim	107	107	106	104	3
24.	Goa	58	58	37	32	26
25.	ANI	46	46	46	44	2
26.	Puducherry	45	45	42	31	14
27.	Mizoram	25	25	25	25	0
28.	Arunachal Pradesh	14	14	14	14	0
29.	Ladakh	10	10	10	9	1
30.	DNH&DD	4	-	-	0	4
	Total	67,930	63,074	50,866	40,727	27,203

<https://www.pib.gov.in/>

It can be seen that a total of 67,930 PACS from 30 States/UTs have been sanctioned under the project. A total of 40,727 PACS (60 %) have been on boarded on ERP Software, and hardware has been procured by 29 States/UTs.

Case Studies

☉ Amul (Gujarat Cooperative Milk Marketing Federation)

Amul exemplifies a successful multi-state cooperative that follows democratic principles, maintains transparent financial disclosures, and adheres to strict audit norms. It has expanded to 3.6 million farmer members across 18,700 villages (Amul, 2023).

☉ SEWA Cooperative Federation

SEWA is a federation of women-led cooperatives involved in garment making, banking, and retail. It showcases self-regulation, grassroots governance, and social impact with compliance excellence.

By prioritising people and the planet over profit, cooperatives are demonstrating that community-led solutions can create a more inclusive, resilient, and sustainable future for all

☉ PMC Bank Crisis

The failure of the Punjab and Maharashtra Cooperative Bank in 2019 revealed poor governance, related-party lending, and weak regulatory oversight, prompting reforms in UCB supervision (RBI, 2021).

International Best Practices and Comparative Insights

Countries like Japan, Kenya, and Canada have valuable models for cooperative governance and regulation:

- ☉ Japan has a highly disciplined cooperative banking sector regulated by the Norinchukin Bank, which acts as a central bank for agricultural cooperatives.
- ☉ Kenya's SACCO Societies Regulatory Authority (SASRA) is recognised for its emphasis on digital compliance, capital adequacy standards, and centralised licensing, which has enhanced member trust.
- ☉ Canada, particularly the province of Quebec, supports its Desjardins Group, one of the

largest cooperative financial institutions in North America, under strict legislative and prudential norms similar to those of private banks.

India can learn from these models in designing specialised cooperative regulators and implementing sector-specific digital platforms.

The Cooperative Sector in the Digital India and SDG Context

The cooperative model aligns closely with the UN's Sustainable Development Goals (SDGs), particularly:

- ⊙ SDG 1: No poverty (via rural financing)
- ⊙ SDG 5: Gender equality (via women-led cooperatives)
- ⊙ SDG 8: Decent work and economic growth
- ⊙ SDG 10: Reduced inequalities

Digital governance tools such as e-Sahakar portals, Aadhaar-linked membership, and DBT-ready cooperative banks will enhance alignment with national initiatives like Digital India, Atmanirbhar Bharat, and PM-WANI.

Conclusion

In India, the cooperative sector fills a unique and vital niche that enables economic democracy, decentralisation, and grassroots ownership. However, governance bottlenecks, inconsistent compliance, and disjointed regulations continue to limit its transformative potential. More than just legislative intent is needed to address these issues; coordinated action from the federal government, states, federations, and individual societies is needed.

Reviving its cooperative ecosystem can serve as a social multiplier as India enters the “Amrit Kaal” and seeks inclusive routes to economic leadership. It will be crucial to strengthen institutional capacity, reduce political meddling, harmonise legal frameworks, and utilise digital tools. Cooperative societies can become catalysts for equitable, self-sufficient, and sustainable development if they are properly regulated and openly run. MA

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INDIA'S COOPERATIVE MOVEMENT – A PILLAR FOR SUSTAINABLE GROWTH

Abstract

The cooperative movement in India has become a vital component of inclusive and sustainable growth, especially in the agricultural and rural areas. Cooperatives, which have their roots in democratic governance and community ownership, empower underprivileged groups, boost regional economies, and advance social justice. This study looks at the development, composition, and effects of India's cooperative model, emphasizing its contributions to self-reliance, agricultural productivity, and financial inclusion. The study highlights the movement's ability to address socioeconomic issues and make a substantial contribution to India's vision of equitable, grassroots-led sustainable development by critically analyzing successful case studies and policy frameworks.

Introduction

Cooperatives are companies owned and operated by members that put the good of the group ahead of their individual interests, emphasizing economic equality and social justice. According to the International Cooperative Alliance (ICA), there are more than 1 billion cooperative members worldwide, and they generate \$3 trillion in revenue annually, making a substantial contribution to sustainable development (International Cooperative Alliance ICA). Cooperatives have a significant impact on housing, credit, agriculture, dairy, handicrafts, and social and economic development in India, particularly in rural areas. India has one of the largest cooperative sectors in the world, with approximately 842,050



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cooperative societies and 290 million members (ICA, A Pillar for Cooperative Development, Posted On: 24 NOV 2024 9:23PM) To realize its full potential, though, obstacles including financial limitations and governance problems must be resolved.

Historical Evolution of Cooperatives in India Pre-independence initiatives

In the early 20th century, rural debt and moneylenders' exploitation led to the cooperative movement in India. The British colonial government recognized the need for a financial alternative to these moneylenders.

The Co-operative Credit Societies Act of 1904 helped India's cooperative sector by allowing agricultural loans. The German cooperative models, especially the Raiffeisen and Schulze-Delitzsch models, which placed a strong emphasis on mutual help and community ownership, had an impact on the Act (Bedi, 1969).

The Co-operative Societies Act of 1912 expanded cooperatives' definition to include marketing, production, and consumption activities. In response to the recommendations of the MacLagan Committee (1915), which highlighted the necessity of state partnership in cooperative development and the training of cooperative staff, the British government

further encouraged cooperatives (Ghosh, 2007).

Independence Growth

The cooperative sector in India grew after independence due to socialist planning and rural development goals. The Indian Constitution allowed states to create cooperative laws. Cooperatives were essential for providing farmers with loans, fertilizer, and seeds in the First Five-Year Plan. This plan focused on developing cooperative lending and marketing institutions to enhance agricultural development (Planning Commission, 1951).

Cooperatives were linked to community development, with programs launched in the Second and Third Five-Year Plans. Sugar factories, dairy cooperatives, and consumer cooperatives were promoted then.

The nationalization of banks in 1969 created opportunities and competition for the cooperative sector by enhancing financial inclusion. The Integrated Cooperative Development Project (ICDP), started in the 1970s, aimed to combine various cooperative services (finance, marketing, and storage) to strengthen rural cooperative infrastructure.

Key Milestones

Several key milestones mark the history of cooperatives in India. In 1904, the Co-operative Credit Societies Act began the cooperative movement. The 1912 Co-operative Societies Act expanded cooperatives, and between 1951-1956, they were included in India's First Five-Year Plan for rural development. In 1969, bank nationalization supported cooperative finance. The 1984 Multi-State Co-operative Societies Act governed cooperatives across states. From 1991, liberalization reduced state support, urging cooperatives to gain autonomy. The 2002 Vaidyanathan Committee recommended reforms for rural credit cooperatives. The 2011 97th Constitutional Amendment gave cooperatives constitutional status, emphasizing their democratic nature. These milestones indicate a shift towards more member-driven cooperative models.

Sectors Driving Sustainable Growth

Agriculture & Farmer Cooperatives – MSP, Procurement, and FPOs

India's economy relies heavily on agriculture, with farmer cooperatives playing a key role in increasing

rural incomes, ensuring food security, and reducing dependence on middlemen. The government established the Minimum Support Price (MSP) to protect farmers from market fluctuations. Under MSP laws, cooperatives such as Primary Agricultural Credit Societies (PACS) and State Marketing Federations (MARKFED) assist in procurement, especially for crops like pulses, rice, and wheat. By guaranteeing farmers receive a fair price, these cooperatives lessen distressed sales (Chand, 2017).

Farmer Producer Organizations (FPOs) are groups of small farmers registered under specific acts. They boost revenue through bulk buying, easier loans, and direct market links. NABARD and SFAC support FPO growth in India. Over 10,000 FPOs were registered by 2023.

Dairy Cooperatives – AMUL Model and Operation Flood

India's dairy industry was transformed by the Anand Milk Union Limited (AMUL) cooperative, which was established in 1946. It was organized using a three-tiered framework:

- ⦿ Village Cooperative Societies for Dairy Production
- ⦿ The District Union
- ⦿ State Federation (GCMMF, for example)

Farmers democratically controlled every level, guaranteeing that profits stayed in the community. AMUL came to represent the “White Revolution,” enabling millions of dairy producers in rural areas.

Operation Flood (1970–1996): Operation Flood, led by Dr. Verghese Kurien and funded by the NDDDB, was a major dairy initiative that created a national milk grid to stabilize prices. It aimed to replicate the successful Anand cooperative model across India, at the request of the Government of India (Kurien, 2012). In order to promote its goods, he also founded the Gujarat Cooperative Milk Marketing Federation. Promoted self-sustaining cooperatives, connecting rural milk producers with markets by the 1990s.

Credit Cooperatives – SHGs, NABARD, and Microfinance

Self-Help Groups (SHGs): SHGs are unofficial groups that help with community lending, credit, and savings, mainly for women. Many have formed

SHG Federations and operate under cooperative principles, crucial for financial inclusion and women's empowerment. The National Bank for Agriculture and Rural Development, or NABARD, has played a significant role in promoting cooperative lending organizations.

Microfinance: In India's microfinance system, credit cooperatives and self-help groups offer small loans for healthcare, education, and business. Cooperatives reinvest profits into the community, unlike commercial microfinance organizations.

Housing, Handicrafts, and Consumer Cooperatives

Housing Cooperatives: By combining member resources, housing cooperatives offer reasonably priced housing in both urban and rural areas. Well-known in urban regions like Delhi and Mumbai, they:

- ⊙ Encourage group ownership;
- ⊙ Lessen speculation in the real estate and housing markets.
- ⊙ Assure improved housing society administration and upkeep.

Housing societies receive financial and technical assistance from the National Cooperative Housing Federation of India (NCHF).

Handicraft & Artisan Cooperatives: By maintaining traditional skills and offering fair prices, cooperatives help potters, weavers, and other craftspeople. An example of community-driven value is the women's cooperative Lijjat Papad. State-backed cooperatives like Handloom Development Corporations and the Khadi and Village Industries Commission (KVIC) greatly support rural artisans.

Consumer Cooperatives: Consumer cooperatives offer reasonable prices for necessities. To fight monopoly pricing and inflation, groups like Super Bazar (Delhi) and Apna Bazar (Mumbai) were formed.

Sustainability Contributions included: Empowering marginalized and low-income groups; fostering local production and ethical consumption; and advancing economic integration between urban and rural areas.

Policy and Legal Framework

An encouraging legal and regulatory framework aims to empower communities, support democratic governance, and promote inclusive economic growth

in India's cooperative movement. The framework includes ongoing reforms, constitutional provisions, and federal and state government functions.

Constitutional Provisions: Part IX-B & 97th Amendment

Cooperative societies were granted constitutional legitimacy by the 97th Constitutional Amendment Act of 2011:

- ⊙ To provide more information about the administration, election, auditing, and operation of cooperative societies, Part IX-B (Articles 243-ZH to 243-ZT) was added.
- ⊙ The right to establish cooperative organizations was added to the list of fundamental rights in Article 19(1)(c).
- ⊙ The Directive Principles of State Policy were amended to include Article 43B, which instructs the State to support cooperatives' voluntary establishment, independent operation, democratic governance, and expert management.

The Supreme Court, however, invalidated the portion of the amendment that applied to state-level cooperatives in *Union of India vs. Rajendra N. Shah* (2021), concluding that "cooperative societies" are covered by the State List (Entry 32 of List II, Seventh Schedule). Only multi-state cooperatives are now subject to Part IX-B's requirements.

Role of Ministry of Cooperation, NCDC, and State Policies

Ministry of Cooperation

The Ministry of Cooperation was founded in 2021 with the goal of streamlining cooperative growth through a distinct administrative and policy framework. Among the main objectives are:

- ⊙ Making it easier for cooperatives to do business.
- ⊙ Encouraging capacity building and digitization.
- ⊙ Supporting model bylaws and cooperative societies with several states.

National Cooperative Development Corporation (NCDC)

As a legislative entity established by the NCDC Act of 1962, it:

- ⊙ Offers financial and technical support to cooperatives engaged in rural, dairy, processing,

storage, agricultural, and fisheries.

- ⊙ Encourages more recent models, such as digital cooperatives and Farmer Producer Organizations (FPOs).

State Governments

State Cooperative Societies follow their own State Cooperative Acts. Kerala, Gujarat, and Maharashtra have strong cooperatives. States manage elections, audits, and disputes.

Recent Reforms – Model Bye-Laws 2023 & Other Initiatives

Model Bye-Laws, 2023 for PACS (Primary Agricultural Credit Societies)

Issued by the Ministry of Cooperation in order to:

- ⊙ Permit PACS to expand into non-credit operations such storage, insurance, banking correspondents, CSC services, and LPG distribution.
- ⊙ Standardize processes to improve governance, digitization, and transparency. Permit multipurpose cooperatives to reach a wider audience in the community.

Multi-State Cooperative Societies (Amendment) Bill, 2022

- ⊙ Proposes a **Cooperative Election Authority**, **Cooperative Information Officer**, and **Audit Board** for MSCS to improve transparency and reduce political interference.

Digital Initiatives

- ⊙ **Computerization of 63,000 PACS** with unified accounting software and MIS (Ministry of Cooperation <https://www.cooperation.gov.in/en/computerization-pacs-1>)
- ⊙ **Launch** of platforms like **Sahakar Pragya**, **Sahakar Mitra**, and **Cooperative Training Modules** for upskilling.

Impact on Sustainable Development

The cooperative movement in India promotes sustainable and inclusive development, aiding rural employment, poverty alleviation, women's empowerment, and environmental sustainability.

Poverty Alleviation and Rural Employment

In India, cooperatives support rural economic

growth by creating jobs and ensuring fair income distribution for farmers (NABARD, 2022-23). Dairy cooperatives, like Amul, empower millions of rural communities through decentralized marketing and procurement, supporting 190 million people's livelihoods (NCDC, 2023). Cooperatives lower rural unemployment, give people more negotiating power, and ensure fair prices by connecting producers and markets directly, reducing poverty. (Patibandla & Sastry, 2004).

Women's Empowerment

The cooperative movement in India has empowered women economically and socially. Over 4.5 million women are organized into Neighborhood Groups by projects like Kudumbashree in Kerala (Kudumbashree Mission, 2023). Together, these women run microbusinesses, farm, and provide services, becoming financially independent and having decision-making authority.

Another excellent example is the women's cooperative Shri Mahila Griha Udyog Lijjat Papad, founded in 1959, employing over 45,000 women in India (<https://rangde.in/blog/lijjat-papad-story>)

Cooperatives can provide a scalable model for women's employment while ensuring dignity and fair profit sharing, as shown by Lijjat Papad's success (Paliwal & Sayed, 2023). By improving women's social mobility, self-esteem, and involvement in governance, these cooperatives have not only lifted them out of poverty but have also changed social norms (ILO, 2015).

Environmental Sustainability

In India, environmental sustainability is becoming a top priority for cooperatives. Initiatives for renewable energy, water conservation, and organic farming are currently being promoted by many. In places like Maharashtra and Sikkim (India's first organic state), organic farmers' cooperatives help with certification, market access, and information sharing for products free of chemicals (Sikkim Organic Mission, 2022).

Cooperatives for renewable energy are yet another creative approach. To reduce reliance on fossil fuels and carbon footprints, solar energy cooperatives in Gujarat and Karnataka, for example, enable farmers and rural communities to generate and consume solar power (TERI, 2020). These programs show how cooperatives are drivers of inclusive and sustainable

growth in India and are in line with the Sustainable Development Goals (SDGs) of the UN, including SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), and SDG 13 (Climate Action).

Challenges and Criticisms

Even while the cooperative movement in India has made significant strides toward fostering socioeconomic growth, it still faces a number of operational and structural obstacles. These include financial dependence, political meddling, ineffective governance, and increased competition from private entities, all of which impede cooperatives' ability to reach their full potential.

Governance Issues, Political Interference, and Corruption

India's cooperative sector faces governance issues like poor member engagement, lack of transparency, weak controls, and manipulation by powerful elected officials linked to local politics (Abraham, 2015). The RBI states that political appointments and bad management caused governance failures in urban cooperative banks, like the 2019 PMC Bank scandal (RBI, 2020). Similar problems exist in housing cooperatives and agricultural lending institutions, where corruption and inefficiency are frequently caused by partiality, postponed audits, and unbridled power (Kumar, S).

Financial Constraints and Dependency on Government

The financial instability of many cooperatives, especially those in rural areas, is another significant issue. Many cooperatives still rely on government loans and subsidies since members don't generate enough wealth. Their independence is compromised by this reliance, which frequently leads to politically driven funding distribution as opposed to merit-based funding (Siddaraju, 2012). Furthermore, skilled management, sufficient risk management procedures, and access to contemporary financial instruments are often unavailable to financial cooperatives. Primary Agricultural Credit Societies (PACS) continue to perform unevenly, according to NABARD, with many reporting low recovery rates and growing non-performing assets (NABARD, 2020). This makes it more difficult for them to offer members dependable and long-lasting services.

Competition from Private Players and Globalization

Cooperatives are facing fierce competition from private businesses and multinational corporations in the post-liberalization era, particularly in industries like microfinance, dairy, and agri-processing. Private companies, as opposed to cooperatives, frequently have greater access to funding, technology, and marketing know-how, which helps them grow quickly and win over customers (Birchall, 2011). Many cooperative societies have seen their market shares decline as a result of this pressure from competitors. In the dairy industry, for example, a number of private brands have become important participants, lessening the power of cooperative behemoths like Amul in some areas. Concerns over the marginalization of small cooperative producers and traders have also been highlighted by globalization and the drive for Foreign Direct Investment (FDI) in retail (Bhowmik, 2010). Cooperatives must modernize, professionalize, and adjust to a rapidly changing economic environment if they are to endure and prosper.

Case Studies

Amul (GCMMF): The White Revolution's Success

One of the best examples of a dairy cooperative that revolutionized India's rural economy is the Gujarat Cooperative Milk Marketing Federation (GCMMF), which is well-known by its brand Amul. Amul was established in 1946 with the goal of removing intermediaries and enabling farmers to reach the market directly. India became self-sufficient in milk production thanks to Amul, which was instrumental in the White Revolution led by Dr. Verghese Kurien. Village-level dairy cooperative societies, district-level unions, and the state-level federation (GCMMF) comprise the three tiers of the Amul model. Profits are distributed back to farmers thanks to this decentralized system, which promotes sustainable rural development. Amul currently processes over 27 million liters of milk every day and represents over 3.6 million milk producers in Gujarat & 16.6 million in India (<https://www.amul.com/m/about.us>)

NAFED: Agricultural Marketing Cooperative

A government-backed apex cooperative organization engaged in agricultural marketing, the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) was founded in 1958. It was

established to guarantee fair prices, encourage the selling of agricultural products, and stop middlemen from abusing farmers. In order to function, NAFED distributes agricultural inputs, purchases commodities, and encourages exports. Both producers and consumers gain when NAFED steps in to stabilize markets during crises like price collapses or abundant harvests.

SEWA Cooperative: Women-led Informal Sector Empowerment

Ela Bhatt established the Self Employed Women's Association (SEWA) in Ahmedabad in 1972 as a union for women employed in the unorganized sector. In order to offer microfinance, savings, and insurance services to independent women without access to traditional banking, SEWA established the SEWA Cooperative Bank in 1974. Producer cooperatives, housing cooperatives, and service cooperatives managed by women have all been added to SEWA throughout the years. The SEWA model encourages grassroots leadership, gender equality, and financial inclusion.

Future Prospects & Recommendations

Digital Transformation: Unlocking Efficiency and Inclusivity: The cooperative movement in India is set for a digital revolution, using technology to enhance governance, reduce theft, and improve transparency in various cooperatives. The Ministry of Cooperation recognizes the importance of digitizing Primary Agricultural Credit Societies (PACS). The government plans to computerize 63,000 PACS by 2023 for better loan monitoring and financial inclusion (<https://www.cooperation.gov.in/computerization-pacs-I>).

Strengthening Grassroots Participation: Building Ownership: Active grassroots participation is crucial for a sustainable cooperative framework. Local ownership has led to cooperative success, but issues like political interference and elite capture affect Indian cooperatives. Supporting capacity-building can empower members, especially women and underrepresented groups. NCCT and NCDC

The motto "Sabka Saath, Sabka Vikas" reflects the role of cooperatives in development, supporting disadvantaged groups like women and small farmers

are responsible for enhancing member awareness and leadership.

Public-Private Partnerships (PPP) and Innovative Financing:

Cooperatives need to shift from subsidies to sustainable financial models for long-term viability. Involving the private sector can provide

funding and expertise. Effective examples include PPP models in agriculture and innovative financing tools supporting the SDGs.

Conclusion

Summary of Key Findings:

India's cooperative movement helps rural communities gain access to resources, supports inclusive economic growth, and fills market and government gaps in various industries. This report's main conclusions include:

- ⦿ **Historical Impact:** Cooperatives boost food security, empower women, and provide rural financing, as seen in IFFCO and AMUL.
- ⦿ **Policy and Institutional Support:** New initiatives focus on digitalization and enhancing cooperative capacity building.
- ⦿ **Difficulties Found:** Structural and cultural reforms are necessary to address persistent problems like politicization, poor governance, limited technology integration, and low member participation.
- ⦿ **Future Potential:** Cooperatives can become catalysts for self-sufficient and sustainable rural growth through digitization, grassroots empowerment, and creative financing strategies including public-private partnerships.

Cooperatives: A Proven Tool for Equitable Growth

The motto "Sabka Saath, Sabka Vikas" reflects the role of cooperatives in development, supporting disadvantaged groups like women and small farmers. They offer access to loans and markets, promoting social justice and inclusivity amidst inequality and climate challenges. Proper support can enhance India's cooperative movement. MA

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COOPERATIVES IN INDIA: BUILDING BLOCKS FOR EQUITABLE GROWTH AND SUSTAINABLE DEVELOPMENT

Abstract

India's cooperative movement represents one of the world's largest socio-economic phenomena, encompassing 8.6 lakh societies with 29 crore members as of 2024. This article examines the evolution, economic impact, and sustainable contributions of cooperatives across agriculture, dairy, banking, and allied sectors. Through analysis of statistical data and case studies of flagship cooperatives like Amul, IFFCO, and SEWA, the study demonstrates how cooperatives serve as catalysts for inclusive growth, contributing ₹15.3 lakh crore to GDP and generating 100 million employment opportunities. The establishment of the Ministry of Cooperation in 2021, coupled with digital transformation initiatives, positions the sector to significantly contribute to India's \$5 trillion economy goal while ensuring equitable benefit distribution and alignment with Sustainable Development Goals.



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Introduction

India's cooperative movement stands as a testament to the transformative power of collective action in addressing socio-economic challenges. Rooted in the philosophy of "Vasudhaiva Kutumbakam" cooperatives have evolved from crisis-driven initiatives in the early 20th century into sophisticated economic enterprises that constitute approximately 27% of the world's cooperatives. The significance of the movement extends beyond numbers, representing a unique synthesis of economic efficiency and social equity

that positions cooperatives as indispensable pillars of India's sustainable growth strategy.

With over 810,000 cooperative societies serving 290 million members representing one in every five Indians cooperatives have achieved unparalleled penetration, covering 98% of India's villages (*Source: Ministry of Cooperation, Government of India. National Cooperative Database 2024*). This extensive network has established cooperatives as the backbone of rural India's economy and a driving force for inclusive development.

Historical Evolution and Legislative Framework Colonial Era Origins (1900-1947)

The genesis of India's cooperative movement traces to the late 19th century, emerging as a response to rural distress and exploitative moneylending practices charging 25-50% interest rates. The **Cooperative Credit Societies Act of 1904** marked a watershed moment, making India the birthplace of Asia's first registered cooperative society. The **Cooperative Societies Act of 1912** broadened the scope beyond credit to encompass marketing, processing, and artisan cooperatives.

Early success stories included the Anyonya SahakariMandali (1889), Asia's first cooperative bank in Baroda, which reduced borrowing costs by 60% compared to informal lenders. During the freedom struggle, Mahatma Gandhi advocated cooperative khadi societies while Sardar Vallabhbhai Patel championed dairy cooperatives as instruments of rural self-reliance.

Post-Independence Integration (1947-2000)

After Independence, cooperatives became integral to India's planned development strategy. The First Five-Year Plan (1951-56) emphasized cooperative societies for coordinating rural credit and production. This led to the establishment of landmark institutions: the **National Cooperative Development Corporation (NCDC)** in 1963 and the **National Bank for Agriculture and Rural Development (NABARD)** in 1982. The **Multi-State Cooperative Societies Act (1984)** and **National Policy on Cooperatives (1992)** facilitated cross-state operations.

The 1970s witnessed the transformative **White Revolution (Operation Flood)**, utilizing dairy cooperatives to convert India from milk-deficient to the world's largest milk producer. The Gujarat Cooperative Milk Marketing Federation (Amul) became the model for nationwide replication.

Contemporary Reforms (2000-2024)

The **97th Constitutional Amendment of 2011** granted constitutional status to cooperative societies, recognizing the right to form cooperatives as a fundamental right. The establishment of the **Ministry of Cooperation on July 6, 2021**, marked a paradigmatic shift with the vision of "**Sahkar se Samridhi**" (Prosperity through Cooperation).

Current Landscape and Economic Impact

Scale and Membership

As of December 2024, India hosts approximately **8.6 lakh functional cooperative societies** with collective membership exceeding **29 crore individuals**. The sectoral distribution reveals remarkable diversity across housing (193,634 societies), dairy (152,139), Primary Agricultural Credit Societies (101,871), and others.

Table 1: Sectoral Distribution of Cooperatives

Sector	Number of Cooperatives	Membership (Crores)	Percentage
Housing	193,634	1.2	17.83%
Dairy	152,139	1.8	17.79%
PACS	101,871	13.0	11.47%
Others	241,870	13.0	52.91%
Total	689,514	29.0	100.00%

Source: National Cooperative Database, 2024

Economic Contributions

The cooperative sector demonstrates substantial economic impact with collective turnover exceeding **₹15.3 lakh crore in 2023-24**, contributing an estimated **3-4% directly to India's GDP** (Source: *Primuspartners.in. India's Cooperative Sector GDP Contribution Report*). In agriculture, cooperatives account for **46.31% of total agricultural credit** and **23.5% of fertilizer production** (Source: *Sansad.in. Parliamentary Report on Cooperative Credit*). The cooperative banking sector maintains a consolidated balance sheet exceeding **₹4.17 lakh crore** with 34 State Cooperative Banks serving 86 million account holders (Source: *Reserve Bank of India. Report on Cooperative Banks 2023-24*).

Employment Generation

The cooperative sector serves as a significant employer, generating **100 million direct and indirect employment opportunities**. Direct employment includes 14.2 million full-time employees, while indirect employment reaches 65 million through supply chain and ancillary activities (Source: *Indiatoday.in. Cooperatives Employment Generation Report 2024*). Rural employment constitutes 78% of total cooperative employment, with 42% women's participation (Source: *Economic Times. Cooperatives Employment Statistics*).

Sectoral Analysis

Agricultural Cooperatives

Agricultural cooperatives form the foundation

of India's food security architecture, serving **13 crore farmers** through extensive credit, input supply, and marketing networks. Primary Agricultural Credit Societies (PACS) provide **46.31% of total agricultural credit** at interest rates 2-3% lower than commercial alternatives.

The cooperative model's success in combining democratic governance, economic viability, and social responsibility offers valuable lessons for sustainable development globally

The **National Cooperative Agricultural Marketing Federation (NAFED)** facilitates price stabilization for 25 crops, handling **41.2 million tonnes** under MSP operations since 2014. Input supply cooperatives led by **IFFCO** and **KRIBHCO** control approximately **30% of India's fertilizer distribution**.

(Sources: *Role of Cooperatives in Rural India*; *NABARD-Microfinance Status Report 2023-24*; *NAFED-Annual Performance Report 2023-24*; *IFFCO.in-Cooperative Fertilizer Production Statistics*.)

Dairy Cooperatives

India's dairy cooperative movement represents the most celebrated success story. The **Amul model** operates through a three-tier federation with 18,600 Village Dairy Cooperative Societies, 18 District Milk Unions, and the Gujarat Cooperative Milk Marketing Federation. (Sources: *Amul.com. About Amul Cooperative Structure*)

Performance Metrics (2023-24):

- ⊙ Daily Milk Procurement: 29 million liters
- ⊙ Member Farmers: 3.6 million
- ⊙ Annual Turnover: ₹72,000 crore
- ⊙ Global Ranking: 8th largest dairy processor worldwide

(Sources: *Statista.com. Amul Sales Turnover 2024*)

Cooperative Banking

Cooperative financial institutions operate through a three-tier structure connecting 101,871 PACS to 351 District Central Cooperative Banks and 34 State Cooperative Banks. This network provides **30%**

of total rural credit and serves as the backbone of agricultural finance. (Sources: *Cooperation.gov.in. Cooperative Banking Structure*; *NABARD-Rural Credit Statistics 2023-24*)

Success Stories

Amul: The White Revolution Pioneer

Founded in 1946, Amul transformed India into the world's largest milk producer through the **Anand Pattern** of dairy development. With daily processing of 29 million liters and annual turnover of ₹72,000 crore, Amul demonstrates cooperative enterprise's commercial viability while ensuring **80% of consumer rupee flows back to farmers**. Its model, replicated in states like Karnataka (*Nandini*) and Tamil Nadu (*Aavin*), ensures 80% of revenue returns to farmers, enhancing rural livelihoods. (Source: *Gujarat Cooperative Milk Marketing Federation. Annual Report 2023-24*)

Indian Farmers Fertiliser Cooperative Limited (IFFCO)

Established in 1967, IFFCO has grown to become the **world's largest fertilizer cooperative**, serving 50 million farmers through 35,000+ member cooperatives. With annual turnover of ₹63,000 crore and market share of 19% in urea production, IFFCO pioneered **nano fertilizer technology** reducing consumption by 50% while maintaining productivity. (Sources: *IFFCO-Cooperative Excellence Report 2024*; *Indiancooperative.com-IFFCO Nano Fertilizer Innovation*).

Self-Employed Women's Association (SEWA)

Founded in 1972, SEWA combines trade unionism with cooperative enterprise to empower women in the informal economy. Serving 3.2 million women across 17 states, SEWA operates cooperative banks, production enterprises, and social security systems with **97% loan repayment rates**. (Sources: *SEWA Federation-About SEWA Overview*)

Government Initiatives and Policy Framework

The Ministry of Cooperation has launched comprehensive initiatives including:

PACS Computerization Program: Targeting 63,000 functional PACS with ₹2,516 crore allocation for cloud-based ERP systems and digital payment integration.

World's Largest Grain Storage Plan: ₹1.25 lakh crore investment for 700 lakh tonnes additional storage capacity through cooperatives.

Legislative Reforms: The **Multi-State Cooperative Societies (Amendment) Act 2023** enhanced governance through Cooperative Election Authority and mandatory women's representation.

Sources: Ministry of Cooperation-PACS Computerization Project Details; Press Information Bureau-Grain Storage Plan Announcement; Ministry of Cooperation-MSCS Amendment Act 2023).

Sustainability and Development Goals

Cooperatives demonstrate remarkable alignment with UN Sustainable Development Goals:

SDG 1 - No Poverty: 35% reduction in poverty rates among cooperative members with average 40-60% increase in household incomes. *(Source: United Nations- Cooperatives SDG Impact Report 2023)*

SDG 2 - Zero Hunger: 40% of food grains marketed through cooperative channels with 2.78 million hectares under cooperative organic farming. *(Source: FAO-Cooperatives and Food Security in India)*

SDG 5 - Gender Equality: 100 million women engaged in cooperative activities with 89% having bank accounts. *(Source: SEWA-Women's Economic Empowerment Report)*

SDG 8 - Decent Work: 25% higher wages in cooperative enterprises with improved safety and social security coverage. *(Source: ILO-Cooperative Employment and Decent Work).*

Challenges and Future Prospects

Despite achievements, cooperatives face governance challenges including political interference, professional management deficits, and

technology adoption barriers. Financial constraints include limited capital base and high NPA levels in cooperative banking.

However, opportunities abound through digital transformation, policy support, and sectoral diversification. The **Ministry of Cooperation** has launched 48 initiatives, including a ₹2,516 crore PACS computerization project, digitizing 37,326 societies. The **Multi-State Cooperative Societies (Amendment) Act, 2023**, enhances governance through a Cooperative Election Authority and mandatory audits. The draft **National Cooperative Policy (2025)** aims to triple cooperative exports to \$60 billion and establish 50,000 new PACS as service hubs *(Source: Indian Cooperative, National Cooperative Policy Draft (2025)).*

- ⊙ **Technological Modernization:** Blockchain platforms like **e-Sahakar** and AI-driven crop advisories reduce costs by 25%. Integration with **GeM (Government e Marketplace)** and **ONDC (Open Network for Digital Commerce)** expands market access.
- ⊙ **Diversification:** Multipurpose PACS now offer agro-processing, healthcare, and renewable energy services, with 200,000 new societies planned.
- ⊙ **Sustainability Initiatives:** Organic farming cooperatives cover 2.78 million hectares, while Amul's water-efficient practices and KRIBHCO's solar projects align with SDGs.
- ⊙ **Global Leadership:** India's hosting of the **ICA Global Cooperative Conference (2024)** and leadership in the UN International Year of Cooperatives (2025) highlight its global influence.

Sources: PIB, PACS Computerization Progress (2024); Multi-State Cooperative Societies (Amendment) Act, 2023); e-Sahakar, Blockchain Implementation Report (2024); GeM, Cooperative Integration (2024); Ministry of Cooperation, Multipurpose PACS Plan (2024); NCOL, Organic Farming Report (2024); KRIBHCO, Sustainability Initiatives (2024); ICA, Global Cooperative Conference 2024 (2024).

Conclusion

As India prepares for the International Year of

Cooperation in 2025, the cooperative movement stands poised to demonstrate that economic efficiency and social equity are complementary rather than competing objectives. Through continued innovation, professional management, and strategic policy support, cooperatives will remain indispensable institutions for ensuring that prosperity reaches every corner of society in India's journey toward becoming a developed nation.

The cooperative model's success in combining democratic governance, economic viability, and social responsibility offers valuable lessons for sustainable development globally. As the movement embraces digital transformation while preserving its foundational principles, it will continue serving as a beacon of hope for inclusive and equitable growth, continuing to remain a vibrant pillar of India's socio-economic progress. **MA**

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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.

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FINANCIAL PERFORMANCE AND CHALLENGES OF COOPERATIVE CREDIT SOCIETIES IN ASSAM: AN EMPIRICAL STUDY

Abstract

Indian rural ecosystem is highly dependent on cooperative societies. This empirical study focuses on the two popular cooperative credit societies of Assam. The study aims to analyze growth trends, credit distribution patterns, recovery rates, and institutional challenges faced by the cooperative Societies of Assam. The present study is descriptive and exploratory in nature. The study has been developed from secondary data. Findings show that The Assam State Cooperative Apex Bank has made progress in mobilizing deposits and investments. At the same time, the institution encountered inefficiency in lending due to fluctuating lending patterns and unstable credit-deposit ratios. Urban Cooperative Banks have encountered operational difficulties. The study suggests strengthening member engagement, ensuring capital stability, and improving the credit delivery system for progress of the Assam cooperative credit societies.

Introduction

India's rural financial ecosystem is highly dependent on the cooperative societies. These societies are playing a key role in extending credit to farmers, rural artisans, and small businesses. A large segment of the population in Assam depends on agriculture and allied activities. Thus, the relevance of cooperative societies is even more pronounced. Rural credit delivery is highly dependent on cooperative societies. Johnson & Vijayan, 2024 acknowledged that the State Cooperative Banks



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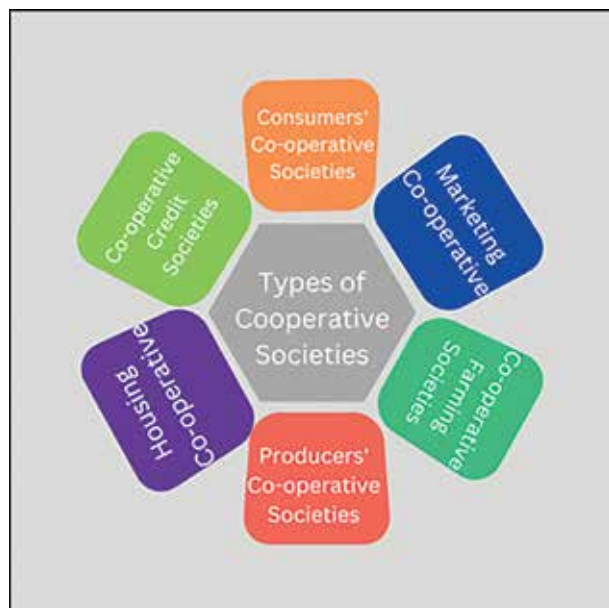
(SCBs) have exhibited substantial growth in Assam in key financial parameters between 2012–13 and 2022–23. The bank shows a significant increase in member engagement and cooperative outreach. To maintain this progress, the bank requires strategic improvements in transparency, professional management, and adaptability to the changing dynamics of rural credit demand. Tripathy et al. (2021) asserted that flexible governance structures are essential for cooperatives to navigate challenges

and improve operational efficiency.

In general, cooperative lenders have demonstrated lower default rates than commercial banks. Nitani and Legendre (2021) stated that the reasons behind the success of cooperative societies are localized governance models, peer monitoring, and stronger community engagement. Despite this progress, there are several structural issues associated with cooperatives and consequently failing to deliver expected financial services.

Against this backdrop, the present study seeks to assess the financial performance and challenges of two premier cooperative credit institutions in Assam. By analyzing their growth trends, credit practices, and governance issues, the study aims to offer practical insights and policy recommendations to strengthen the cooperative credit landscape in the state.

Types of Cooperative Societies in India: Figure 1 shows the different types of Cooperative Societies in India.



Source: <https://www.clearias.com/cooperative-societies-in-india>

Review of Literature:

Several research studies have examined the effectiveness and challenges faced by cooperative credit societies and similar institutions. Nitani and Legendre (2021) discovered that cooperative

lenders tend to have lower default rates than traditional banks, especially benefiting younger and smaller businesses due to their strong community ties and peer oversight. Ahmed (2024) analyzed the implementation issues within NABARD's Self-Help Group Bank Linkage Programme in Assam, which hinder the region's financial inclusion efforts. Although based in Uganda, Kyazze (2020) pointed out that cooperative practices like accountability, member ownership, and communication significantly enhance non-financial outcomes, providing useful insights for Indian cooperatives. In Bodoland, Assam, Maity (2019) found that microfinance led by Self-Help Groups increased income, reduced multidimensional poverty, and improved financial inclusion. Bayan (2018) reported that dairy cooperatives in Assam boosted milk yields, income, and employment, though concerns remain about the lower milk prices compared to local markets. Lastly, Atandi (2022) highlighted a strong positive link between liquidity management and the financial success of cooperative societies, recommending improvements in loan processing and member capacity development.

Another study has explored the financial performance and structural issues faced by cooperative credit institutions in India. Chander and Chandel (2010) examined the financial health of Haryana's cooperative credit institutions, specifically focusing on HARCO Bank from 1997–98 to 2008–09, and found that these institutions often operated in a weak or nearly bankrupt state due to mismanagement and underutilized resources. In Assam, Sarma (2013) analyzed the recovery performance of the Assam Cooperative Apex Bank Limited in Kamrup and Nalbari districts, noting that while the bank contributed modestly to income and employment, it faced significant organizational, technical and managerial challenges that affected its efficiency. Reddy and Chandraiah (2019) conducted a comprehensive study of cooperative banking in India. Their findings show that Indian cooperatives exhibited decent growth in branch networks, deposits, advances, and capital. In addition, cooperatives are playing a key role in supporting rural development and promoting financial inclusion. Dharmendran (2011) focused on Non-Performing Assets (NPAs)

in District Central Cooperative Banks (DCCBs), stressing the importance of implementing strict recovery measures, especially for short-term loans. More recently, Karuppaiah and Saravanan (2024) evaluated the profitability and financial stability of DCCBs in Tamil Nadu from 2012–13 to 2021–22, concluding that ongoing poor financial health continues to hinder the sustainable growth of these banks.

Common Theme:

The common theme of this literature review focuses on how cooperative models contribute to rural development while facing persistent financial issues that hinder sustainable growth.

Objectives of the Study:

The specific objectives are given below:

- I. To analyze the financial performance of selected cooperative banks of Assam over the study period.

- II. To identify the key challenges faced by the cooperative banks in Assam.

Research Methodology:

The present study is descriptive and exploratory in nature. The study has been developed from secondary data. The data were collected from various reports, like the Economic Survey of Assam, 2010-11 to 2023-24, and the Statistical Handbook of Assam. The two premier cooperative societies are considered for study because of their popularity in the state. The societies are --- Assam State Cooperative Apex Bank and Urban Cooperative Banks.

Data Analysis:

At present, there are 11626 different types of cooperative societies in Assam. An overview of the financial performance of Assam's cooperative credit societies is presented in Table 1.

Table 1: Cooperative Societies in Assam

Year	Number of Societies	Membership (In 000 nos)	Share Capital (In Cr)	Working Capital (In Cr)
2010-2011	7906	4612	107.36	2724.29
2011-2012	8006	4600	98.35	2806.09
2012-2013	8422	4592	102.07	2812.66
2013-2014	8835	4513	103.23	3171.31
2014-2015	9222	4416	84.37	3279.71
2015-2016	10252	4291	90.27	3125.64
2016-2017	10246	3035	25.32	1112.34
2017-2018	10642	4173	58.92	4336.46
2018-2019	11649	4527	101.22	4844.76
2019-2020	13722	4516	108.48	5228.16
2020-2021	10874	4573	99.26	553.54
2021-2022	11308	4344	157.56	2433.04
2022-2023	11743	4116	215.81	4312.48
2023-2024	11626	4194	200.41	384.49
CAGR	.027927	.00676	.04559	.1305

Source: Economic Survey of Assam, 2010-2011, 2023-24 and Statistical Handbook of Assam 2024

Table 1 shows that the number of societies has increased from 7906 numbers in 2010-11 to 11626 in 2023-24. This signifies that during the last fourteen years, the Compound Annual Growth Rate (CAGR) has grown by 2.79%, which indicates a steady rise in the establishment of cooperative societies in Assam. The total membership of the societies has decreased from 46 12,000 in 2010-11 to 41 94,000 in 2023-24. It indicates

the growth rate at a slower pace of .68%. On the other hand, the number of societies has increased, but the expansion in member base has not kept pace, which may raise concerns about grassroots engagement or the effectiveness of outreach efforts. The share capital of the societies decreased from Rs 107.36 crores in 2010-11 to Rs 98.35 in 2011-12, but after that, it started continuously falling and finally became Rs 200.41 in 2023-24. The volume of the working capital of the cooperative societies has decreased Rs. 2724.29 crores in 2010-11 to Rs. 384.49 crores in 2023-24. It has shown the most significant improvement, with a robust CAGR of 13.05%, which indicates enhanced financial

strength and the growing operational capacity of cooperative societies to undertake larger-scale economic activities.

Assam State Cooperative Apex Bank Limited:

In the rural credit network, the Assam State Cooperative Apex Bank Limited has been playing a significant role since 1948. It is one of the most important sources of institutional credit suppliers in the state economy. However, in the case of branch expansion, the performance of the bank is not very encouraging. The overall performance picture of the Assam State Cooperative Apex Bank is shown in table-2.

Table 2: Performance of the Assam State Cooperative Apex Bank

Particulars	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Branches (Nos.)	67	67	67	67	67	67
Members (000)	3054	105	107	107	3830.08	107
Paid up Share Capital (Rs.in Crore)	15.27	16.34	16.71	17.08	19.15	20.3071
Reserve (Rs. In Crore)	85.64	90.87	109.69	47.55	126.13	148.76
Deposits (Rs. In Crore)	3213.71	3473.64	3275.56	3406.84	3521.65	3527.45
Working Capital (Rs. In Lakh)	3464.53	3804.65	3811.09	3.94	385751.76	38.94
Borrowing Outstanding (Rs. In Crore)	21.88	39.60	34.62	37.07	33.89	31.32
Investment (Rs. In Crore)	1790.95	2027.14	1668.57	186.03	1942.99	1968.75
Loan Advances (Rs. In Crore)	496.75	179.83	1427.59	1419.87	226.43	1481.69
Loan Outstanding	1234.81	1436.33	NA	37.07	1443.09	1481.71

Source: Economic Survey of Assam, 2019-2020, 2023-24 and Statistical Handbook of Assam 2024

Table 2 shows that the total branches have increased from 21 in the year 1975-76 to 67 in 2023-24, while the bank's share capital increased from ₹15.27 crore to ₹20.31 crore. From the perspective of the state's geographical size and population, the number of branches is very limited. The bank's reserves also grew well, and it shows stronger financial health. Deposits rose slowly, which means people continued to trust the bank. Loan advances went up and down but reached ₹1481.69 crore in 2023-24. Investments also increased from Rs 1790.95 crore in 2018-19 to Rs 1968.75 crore in 2023-24, though there was a drop (only Rs 186.03 crore) in 2021-22. The bank reduced its borrowings over time.

Table 3: Performance Ratio of the Assam State Cooperative Apex Bank

Particulars	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
CDR	0.154572	0.05177	0.435831	0.41677	0.064297	0.420046
I/WCR	0.516939	0.532806	0.43782	47.21574	0.005037	50.55855
R/SCR	5.608382	5.5612	6.564333	2.783958	6.586423	7.325517
B/WCR	0.006315	0.010408	0.009084	9.408629	8.7854405	0.804314

Source: Prepared by the Researchers

The Credit-Deposit Ratio (CDR) remained unstable, reaching its highest in 2020-21 (43.58%) and again in 2023-24 (42%), which indicates the bank was not steady in giving loans (Table 3). The Investment to Working Capital Ratio (I/WCR) increased significantly in 2021-22 and 2023-24, indicating that the bank made inconsistent investments. The Reserve to Share Capital Ratio (R/SCR) remained fairly stable, indicating the bank maintained healthy reserves. However, the Borrowing to Working Capital Ratio (B/WCR) saw a significant rise during 2021-22 and 2022-23, which means that the bank was overly reliant on borrowing, which could bring issues down the line if not handled carefully.

Urban Cooperative Banks:

Another important source of cooperative credit in Assam is Urban Cooperative Bank. The overall performance picture of the bank is shown in Table 4.

Table 4: Performance of the Urban Cooperative Bank

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Bank Branches (Nos.)	25	25	26	25	25	25	25	25
Members (in Nos.)	40,000	62,000	88,000	90,000	93,000	96,000	8,341	78,386
Paid-up share Capital (Rs.in Crore)	15.93	17.74	20.25	21.50	22.50	101.23	119.85	105.82
Working Capital (Rs.in lakh)	773.10	600.27	828.6	831.17	834.19	114.85	867.689	645.08
Deposits (Rs. in Lakhs)	690.29	724.22	767.97	742.12	769.98	460.12	768.227	633.67
Loan Advances (Rs. in Lakhs)	207.85	264.00	405.28	410.69	412.70	471.4	516.725	346.22
Loan Outstanding (Rs.in lakhs)	194.82	272.07	390.38	393.51	394.51	8.85	15.10	310.7
Loan Overdue (Rs. in Lakhs)	23.06	30.65	36.85	50.28	50.28	8.85	2.41	176.99

Source: Economic Survey of Assam, 2017-2018, 2023-24 and Statistical Handbook of Assam 2024

The number of branches was 25 from 2016-17 to 2017-18, slightly increased to 26 in 2018-19, and then decreased to 25 branches from 2019-20 onwards (Table 4). Regarding the branch expansion, the performance of the bank is not satisfactory, but the total membership has increased from 40,000 in 2016-17 to 96,000 in 2021-22, but there is a sudden drop in 2022-23 to 8,341, followed by a rise to 78,386 in 2023-24.

Table 5: Performance Ratio of the Urban Cooperative Banks

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
CDR	0.301105	0.36453	0.527729	0.553401	0.535988	1.024515	0.67262	0.546373
B/WCR	0.251998	0.453246	0.471132	0.473441	0.472926	0.077057	0.017403	0.481646

Source: Prepared by the Researchers

The Credit-Deposit Ratio (CDR) gradually rose from 30% in 2016-17 to above 100% in 2021-22, which means that banks extended more loans relative to their deposits. Subsequently, it declined, indicating that banks became more cautious in issuing loans. The Borrowing to Working Capital Ratio (B/WCR) increased until 2020-21, indicating that banks relied more on borrowed funds. However, it declined significantly in 2021-22 and 2022-23, which means a reduced dependence on borrowing. In 2023-24, the ratio rose again, possibly reflecting a renewed need for external funding.

Challenges before the Cooperative Credit Societies

Cooperative credit societies in Assam encounter multiple challenges. The major challenges are given in Table-6 for Apex and Urban Cooperative Bank.

Table-6: Major Challenges in front of the Cooperative Societies

Sl. No	Particulars	Description
1	Lack of Involvement	The total membership of the cooperatives is very low. Inadequate motivation and low level of involvement of members are responsible factors behind this constraint.
2	Poor Financial Capacity	Several cooperative credit societies are financially very weak and are unable to fulfill the productive needs of the people.
3	Volatile and Unstable Credit-Deposit Ratio (CDR)	The CDR for both the Apex and Urban Cooperative Banks has shown significant fluctuations. For the Apex Bank, it remained unstable. Meanwhile, for Urban Cooperative Banks, it rose over 100% in 2021-22 and then started declining.

4	Inconsistent Investment Patterns (I/ WCR)	The Investment to Working Capital Ratio shows sudden spikes, particularly in 2021-22 and 2023-24.
5	Over-Reliance on Borrowings (High B/ WCR)	The Borrowing to Working Capital Ratio rose significantly in 2021-22 and 2022-23, particularly for the Apex Bank.

Source: Prepared by the Researcher

Conclusion:


The cooperative societies of Assam show a mixed situation of growth and challenges. In absolute terms, there is an increase in the number of cooperative societies. On the other side, the slow membership growth shows a disconnection between cooperatives and the wider community. Key financial metrics like working capital and share capital show instability. This indicates inconsistent funding and improper capitalization. The Assam State Cooperative Apex Bank has made remarkable progress in mobilizing deposits and investments. On the other side, the institution faces inefficiencies in lending. This is reflected through fluctuating lending patterns and unstable credit-deposit ratios. Urban Cooperative Banks have faced several operational difficulties. The key operational difficulties are significant membership fluctuations and financial instability. Furthermore, these two institutions heavily rely on borrowings, which reflects liquidity problems and dependence on external funding. The internal financial strength is weak in these institutions. To ensure sustainable growth and progress, these cooperatives need improved credit management policies, increase member participation, and develop financial independence.

Recommendations:

Based on the findings of the study, the following recommendations are made.

1. Strengthen Member Engagement: To

enhance member engagement, it is suggested that targeted awareness and outreach programs be launched to attract and retain members.

2. **Ensure Capital Stability:** Implement stricter financial discipline. Keep monitoring shares and working capital trends. This will ensure long-term financial resilience.
3. **Improve Credit Delivery Systems:** A consistent Credit-Deposit Ratio is a parameter to measure the financial success of the cooperatives. Therefore, it is suggested that lending practices in the Apex and Urban Cooperative Banks be standardized in order to maintain consistent Credit-Deposit Ratios.
4. **Reduce Dependency on Borrowings:** As the internal financial strength is weak for cooperatives, it is recommended that internal resource mobilization be promoted through better savings schemes and investment strategies. The idea should be to develop a self-sustaining financial system. 

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COOPERATIVES FOSTERING GROWTH OF RURAL ECONOMY THROUGH SELF-RESILIENCE AND SELF-RELIANCE IN INDIA

Abstract

Cooperatives have long been the backbone of rural self-reliance and self-sufficiency in India, particularly in agriculture, dairy and credit sectors. By leveraging collective action, these institutions empower marginalized communities through access to credit, markets and sustainable practices. This article analyzes the role of cooperatives in strengthening India's rural economy, with a focus on their contributions to financial inclusion, agricultural productivity and community-led growth. It further explores challenges such as governance inefficiencies and proposes strategic interventions for management accountants to enhance transparency, sustainability and scalability.

INTRODUCTION

India's rural economy, home to 70% of its population, contributes 46% to the national GDP¹. However, disparities in resource access, climate vulnerabilities and fragmented markets hinder equitable growth. Cooperatives, democratically governed organizations owned by members, have historically addressed these gaps. Rooted in Mahatma Gandhi's vision of *Gram Swaraj* (village self-governance), cooperatives like Amul and SEWA exemplify how collective action can drive rural prosperity. The establishment of the Ministry of Cooperation in 2021 underscores their renewed significance in India's *Atmanirbhar Bharat* (Self-Reliant India)

¹ Government of India. (2024). *India's Cooperative Movement: Driving Inclusive Growth*. PIB.



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agenda² This article examines cooperatives' dual role in fostering self-resilience and self-reliance, emphasizing the strategic contributions of management accountants.

COOPERATIVE PRINCIPLES DRIVING SELF-RELIANCE:

1. Democratic Control and Member Ownership

Cooperatives operate on the principle of "one person, one vote," ensuring equal rights and participation for all members regardless of their financial contribution. This democratic structure empowers rural communities to make collective decisions that benefit the majority, fostering trust and social cohesion. Member ownership ensures that profits and surpluses are reinvested for the welfare of the community, promoting long-term sustainability.

2. Community Concern and Social Impact

Cooperatives prioritize community welfare over individual profit. They invest in infrastructure,

² Ministry of Cooperation. (2024). *Annual Report*. Government of India.

education, healthcare and skill development, directly addressing the needs of rural populations. For example, the National Cooperative Development Corporation (NCDC) reports that cooperatives invest around ₹2,000 crore annually in community development projects.

3. Economic Empowerment

By pooling resources and negotiating collectively, cooperatives provide farmers with better access to markets, fair prices and affordable inputs. The Food and Agriculture Organization (FAO) estimates that Indian agricultural cooperatives help farmers secure prices 10–15% above local market rates. This collective action reduces dependence on middlemen and enhances income stability for smallholder farmers.

4. Amul: The Dairy Revolution

The Gujarat Cooperative Milk Marketing Federation (GCMMF), popularly known as Amul, is a global benchmark for cooperative success. Established in 1946, Amul has empowered millions of dairy farmers by eliminating middlemen, providing stable prices and offering access to veterinary services, cattle feed and artificial insemination. Amul's efficient supply chain and branding have made it the second-largest cooperative globally by turnover-to-GDP ratio. Over 16 million milk producers contribute to Amul's network, making India the world's largest milk producer³.

Financial Performance and Impact:

- ⊙ Amul's transparent pricing mechanism ensures farmers receive fair compensation based on milk quality
- ⊙ The cooperative provides comprehensive backward linkages including veterinary care, artificial insemination and cattle feed
- ⊙ Product innovation, including the introduction of buffalo milk powder, has maintained Amul's market leadership
- ⊙ The model has been replicated across India, creating similar dairy cooperatives in multiple states

Management Accounting Insights:

Amul's success stems from effective cost management through economies of scale in

procurement, processing and marketing. The cooperative's pricing strategy balances farmer remuneration with market competitiveness, while its reserve fund policy ensures financial stability and growth capital availability.

COOPERATIVES AS PILLARS OF SELF-RESILIENCE

1. Absorbing Economic and Climate Shocks

Cooperatives enhance rural resilience by pooling risks and resources. During the COVID-19 pandemic, agricultural cooperatives in Kenya mitigated income losses by 32% through collective marketing and emergency funds⁴. Similarly, India's National Agricultural Cooperative Marketing Federation (NAFED) stabilized prices for farmers during market disruptions¹ (Government of India, 2024). By diversifying income streams such as dairy, handicrafts and renewable energy cooperatives reduce dependency on monoculture farming, which is vulnerable to climate shocks⁵ (Green Gubre Group, 2025). The Taptapani Farmers Producer Company in Odisha increased millet yields by 30% using cooperative-managed seed banks and organic techniques, reducing dependency on monsoon rains.

2. Gender empowerment and Social Capital

The Self-Employed Women's Association (SEWA) provides healthcare, insurance and skill training to 1.5 million informal workers, illustrating how cooperatives build social capital⁶ (ILO, 2017). In Assam, rural cooperatives expanded into healthcare and real estate, improving access to amenities in remote areas (Government of Assam, n.d.). Such initiatives align with the absorptive resilience framework, which emphasizes pre-emptive action against crises.

DRIVING SELF-RELIANCE THROUGH POLICY AND INNOVATION:

1. Policy Interventions

The Ministry of Cooperation's 2021 mandate prioritized computerizing 70,000 Primary Agricultural Credit Societies (PACS) to streamline credit access⁷

⁴ CLEAR. (2024). *Cooperative Resilience Longitudinal Study in Kenya*. <https://e3az4yc7762.exactdn.com>

⁵ Green Gubre Group. (2025). *Cooperatives Empower Small Farmers in India*. <https://www.greengubregroup.com>

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⁷ Modi, N. (2025). Speech at Grameen Bharat Mahotsav. PIB.

³ <https://www.amul.com/m/about-us>

(Modi, 2025). The *Sahakar se Samridhi* (Prosperity Through Cooperatives) initiative aims to establish multipurpose cooperatives in every village, integrating credit, marketing and infrastructure development (Ministry of Cooperation, 2024)⁸. Legal reforms, such as the Jammu and Kashmir Self-Reliant Cooperatives Act (1999), grant autonomy to reduce bureaucratic interference (India Code, 1999)⁹.

Case Study: Ralegan Siddhi's Transformation

Ralegan Siddhi, a village in Maharashtra, transitioned from drought-prone poverty to self-reliance via water conservation cooperatives. By building percolation tanks and adopting organic farming, farmers increased yields by 40% (Shirke, 2024). The village's dairy cooperative now supplies milk to urban markets, demonstrating scalable models for rural entrepreneurship.

2. Technological Innovations:

Computerization of 63,000 PACS under a ₹2,516 crore initiative has streamlined accounting and enabled real-time data analytics, reducing leakages by 25%. Kerala's Kudumbashree cooperatives use blockchain to trace organic produce from farm to table, ensuring premium prices for 200,000 farmers

ECONOMIC EMPOWERMENT THROUGH COOPERATIVES

1. Access to Credit and Markets

Cooperatives supply 30% of rural credit in India, bridging gaps left by formal banks. The Kaira District Cooperative Milk Producers' Union (Amul) negotiates fair prices for 3.6 million dairy farmers, increasing incomes by 25% (SEWA, 2017). Similarly, Farmer Producer Organizations (FPOs) linked to cooperatives reduce middlemen margins, ensuring 15–20% higher returns for staples like wheat and pulses (NABARD, 2024)¹⁰.

2. Women's Empowerment

SEWA's cooperative federation in Gujarat has enabled 100,000 women to transition from informal labor to entrepreneurship in textiles and agriculture¹¹

⁸ Ministry of Cooperation. (2024). *Annual Report*. Government of India.

⁹ India Code. (1999). *Jammu and Kashmir Self-Reliant Cooperatives Act*. <https://www.indiacode.nic.in>

¹⁰ NABARD. (2024). *Rural Credit Disbursement Report*.

¹¹ ILO. (2017). *SEWA Cooperative Federation: Towards Self-Reliance*. <https://www.ilo.org>

(ILO, 2017). By 2025, 50% of PACS members will be women, per the Ministry of Cooperation's inclusivity targets (Government of India, 2024).

CHALLENGES IN COOPERATIVE GOVERNANCE

1. Structural Inefficiencies

Despite progress, 60% of cooperatives face governance issues, including politicization and lack of professionalism (IRMA, 2020). Over-reliance on government subsidies stifles innovation, with only 12% of cooperatives adopting digital tools (Ministry of Cooperation, 2024).

2. Sustainability Gaps

While IFFCO's organic farming initiatives reduced chemical use by 30%, small cooperatives lack resources for renewable energy adoption (ICA, 2021). Only 8% of rural cooperatives have climate adaptation plans, exacerbating vulnerability to droughts (CLEAR, 2024).

STRATEGIC ROLE OF MANAGEMENT ACCOUNTANTS

1. Enhancing Financial Governance

Effective financial management is critical for cooperative sustainability. Cooperatives must estimate capital needs, determine optimal capital composition and choose appropriate funding sources. Internal controls for cash, receivables and inventory are essential to prevent leakages and ensure transparency.

Table 1: Key Financial Metrics for Cooperative Performance

Metric	Description	Importance for Cooperatives
Profitability	Net surplus after expenses	Ensures sustainability
Return on Equity	Surplus relative to member equity	Measures member value creation
Member Participation	Active involvement in decision-making	Enhances organizational effectiveness
Social Impact	Community development investments	Demonstrates broader mission

Management accountants can drive transparency by:

1. **Implementing Cost Accounting Systems:** Tracking input subsidies and output pricing to optimize margins (e.g., Amul's ERP systems).
2. **Risk Management:** Developing contingency funds for climate shocks, as seen in Kenya's CLEAR project (CLEAR, 2024).
3. **Digital Transformation:** Leveraging AI for real-time credit scoring, reducing NPAs by 15% (NABARD, 2024).

2. Promoting Sustainability Reporting

Adopting Global Reporting Initiative (GRI) standards can help cooperatives quantify their environmental **impact**. For instance, IFFCO's reforestation of 29,419 hectares sequestered 2.1 million tons of CO₂ (ICA, 2021).

3. Strengthening Governance Frameworks

Training board members in fiduciary duties and ethical governance can reduce embezzlement cases, which account for 18% of cooperative failures (IRMA, 2020).

FUTURE OUTLOOK: EMERGING TRENDS AND DIGITAL TRANSFORMATION

1. Digital Transformation

The government's push for computerization and digitization of cooperatives is expected to revolutionize rural financial services and operational efficiency. Over 40,000 PACS have already been on boarded onto a national ERP platform, enabling seamless integration with banking and government services.


2. Emerging Trends

- ⊙ **Integration of Cooperatives with Global Markets:** Cooperatives like Amul are expanding their reach through exports and global partnerships
- ⊙ **Focus on Sustainability:** Cooperatives are increasingly adopting sustainable farming practices and environmental initiatives
- ⊙ **Youth and Gender Inclusion:** New policies emphasize youth-centric and gender-inclusive approaches to cooperative development.

CONCLUSION AND RECOMMENDATIONS

Cooperatives are indispensable to India's rural transformation, they embody Gandhi's vision of "economic democracy," where growth is driven by collective action rather than centralized control, yet their potential remains underutilized. Management accountants must spearhead financial and digital innovation, governance reforms and sustainability integration. Policy recommendations include:

1. Mandating ESG reporting for cooperatives with >₹50 crore turnover.
2. Establishing a Cooperative Innovation Fund to pilot AI and blockchain solutions.
3. Integrating cooperatives into national climate resilience strategies.

By aligning with the *Viksit Bharat 2047* vision, cooperatives can uplift 500 million rural Indians, ensuring equitable growth in the decades ahead. 

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THE ROLE OF CO-OPERATIVES IN FOSTERING RURAL ECONOMIC GROWTH

Abstract

Cooperatives have emerged as vital catalysts of sustainable development in rural parts of India fairly inclusively and effectively nowadays. Cooperatives play a significant role in enhancing rural livelihoods by generating employment and improving access to finance for agricultural activities. It evaluates effectiveness of cooperative models in rural economy transformation drawing heavily from secondary data and quite recent literature. The study suggests cooperatives contribute significantly to rural economic growth yet face severe limitations related to governance and poor market access. Policy level interventions alongside capacity building are crucial for enhancing long-term impact substantially over time in various contexts.

INTRODUCTION

Rural India faces persistent challenges like meager earnings and limited access to finance amidst severely underdeveloped infrastructure in many areas. Collective ownership and democratic governance underpin a cooperative model that offers a rather decentralized approach and addresses such issues quietly. Cooperatives operate pretty effectively across various sectors like agriculture and dairy and self-help groups bridging gaps between rural producers and mainstream markets. Cooperatives drive rural growth remarkably well and have significant social and economic reverberations locally and elsewhere in various capacities.

LITERATURE REVIEW

1. Verma, R., & Singh, P. (2023), the study



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analysed the outreach of rural credit cooperatives and concluded that they improve small farmers' access to affordable credit, reducing dependence on informal lenders.

2. Mehta, S., & Joshi, A. (2022), the paper examines how digital tools adopted by AMUL increased operational efficiency and improved rural milk producers' income, promoting cooperative resilience.
3. Bose, D., & Kumar, A. (2021), the authors demonstrate that agricultural cooperatives help farmers gain better prices through collective marketing, reducing post-harvest losses and middlemen dependency.
4. Rao, M., & Thomas, L. (2020), the paper explores how women-led cooperatives have enabled skill development and financial autonomy for rural women, contributing to household-level economic stability.
5. Shah, K., & Patel, R. (2019), the study identifies success factors like strong governance, member participation, and integration with digital platforms that drive growth in rural multipurpose cooperatives.

RESEARCH DESIGN

Objectives of the study

- To assess the impact of cooperatives on

employment, income, and productivity in rural areas.

- ⊙ To identify best practices from successful cooperative models.
- ⊙ To examine challenges and policy bottlenecks faced by cooperatives.

Limitations of the study

- ⊙ Study constraints exist largely due to reliance on existing literature and secondary data.
- ⊙ Generalizability may be constrained by the diversity of cooperative models.
- ⊙ Rapid changes in policy and digital technology may affect long-term findings.
- ⊙ Regional disparities in cooperative performance are not deeply addressed.

Data collection

A descriptive and analytical research design was adopted by study using secondary data evaluating role and impact of co-operatives in fostering rural economy growth across five major sectors.

- ⊙ Agricultural Credit Co-operatives (PACS & State Co-op Banks)
- ⊙ Dairy Co-operatives (e.g., AMUL, MILMA)
- ⊙ Fertilizer Co-operatives (e.g., IFFCO, KRIBHCO)
- ⊙ Handloom & Weaving Co-operatives
- ⊙ Fisheries Co-operatives

Sample size

Sample size comprises 5 sectors spanning data across 6 financial years from 2018–19 through 2023–24 for each respective sector. Each sector encompasses core performance indicators such as turnover and production alongside governance measures including audit compliance and women participation rates.

Data Analysis Techniques

- ⊙ Trend analysis over six years to identify growth patterns in credit, production, turnover, membership, and digital adoption.
- ⊙ Comparative analysis across sectors to understand varying impact levels on rural economic indicators.

- ⊙ Governance and participation metrics (like audit compliance, women's participation, SHG linkages) are analyzed qualitatively for sectoral insights.
- ⊙ Graphical representation through bar charts and line graphs to visually illustrate trends and growth impact.

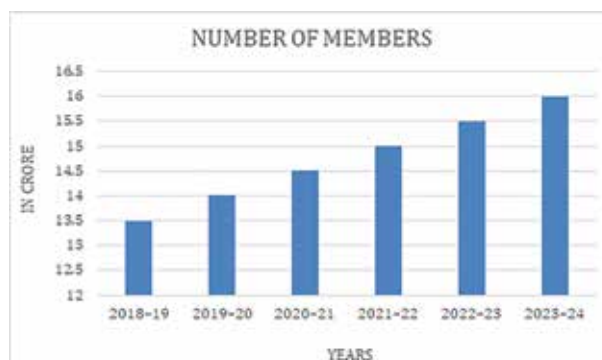
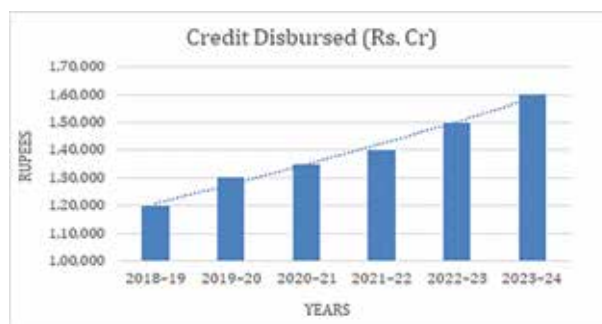
DATA ANALYSIS AND INTERPRETATION

For this study, the following tables with available data are prepared which are shown with the help of charts for better understanding.

Table: 1. Agricultural Credit Co-operatives (PACS & State Co-op Banks)

Year	Credit Disbursed (Rs. Cr)	No. of Members (Cr)	Audit Compliance (%)
2018–19	1,20,000	13.5	65%
2019–20	1,30,000	14.0	67%
2020–21	1,35,000	14.5	68%
2021–22	1,40,000	15.0	70%
2022–23	1,50,000	15.5	72%
2023–24	1,60,000	16.0	74%

Source: NABARD Annual Reports (2018–2024), Ministry of Cooperation, State Cooperative Registrars.





Interpretation

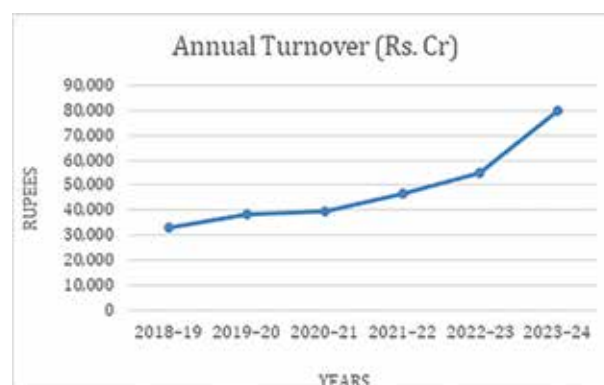
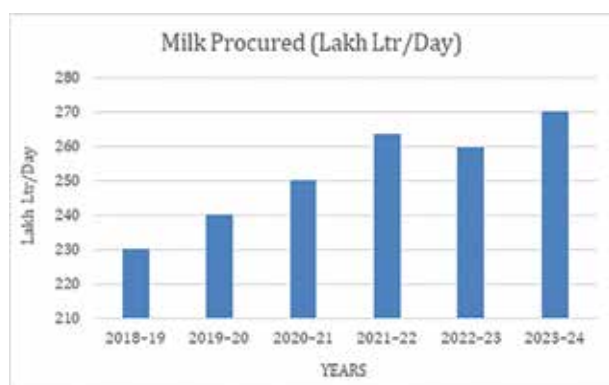
Notable progress was exhibited by Agricultural Credit Co-operatives comprising Primary Agricultural Credit Societies and State Co-operative Banks from 2018–19 onwards. Credit disbursed by these institutions rose steadily from Rs. 1, 20,000 crore in 2018–19 to Rs. 1, 60,000 crore in 2023–24 amounting to a 33.3% increase over six long years. Upward trend really highlights

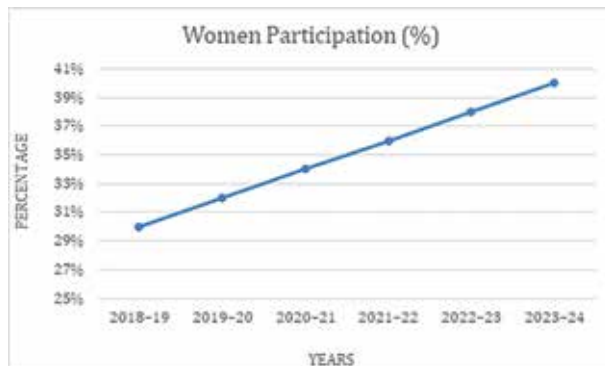
expanding role of co-operatives in meeting credit needs of agricultural sector very effectively nowadays. Number of members associated with these co-operatives swelled hugely from 13.5 crore to 16.0 crore reflecting growing trust among farming communities. Growth of 2.5 crore members' points towards greater financial inclusion via cooperative model fairly effectively nowadays. Audit compliance improved remarkably from sixty five percent in two thousand eighteen nineteen to seventy four percent four years later in 2023–24. A steady rise indicates adherence by more co-operatives to norms for financial reporting and regulatory standards thus bolstering credibility remarkably. Agricultural credit co-operatives have measurably enhanced governance and vastly expanded resources thereby positioning themselves as crucial rural credit ecosystem institutions.

Table: 2. Dairy Co-operatives (e.g., AMUL, MILMA)

Year	Milk Procured (Lakh Ltr/Day)	Annual Turnover (Rs. Cr)	No. of Members (Cr)	Women Participation (%)
2018–19	230.00	33,150	3.2	30%
2019–20	240.00	38,550	3.4	32%
2020–21	250.00	39,248	3.6	34%
2021–22	263.66	46,481	3.8	36%
2022–23	259.60	55,055	4.0	38%
2023–24	270.00	80,000	4.2	40%

Source: AMUL and MILMA Annual Reports, NDDB (National Dairy Development Board), Ministry of Fisheries, Animal Husbandry and Dairying.





Interpretation

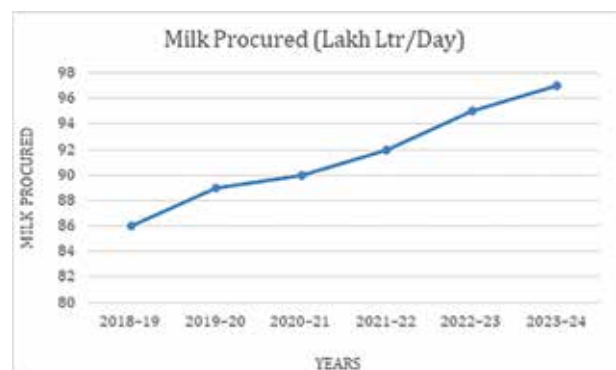
Dairy co-operatives like AMUL and MILMA showed significant growth in key performance areas from 2018-19 onwards across rural economy. Milk procurement rose sharply from 230 lakh liters daily in 2018-19 and reached 270 lakh liters per day by 2023-24 showing greatly enhanced production. Sector procurement surged remarkably in final year after a slight slump in 2022-23 rebounding fairly rapidly to a record level. Annual turnover shot up drastically from Rs. 33,150 crores in 2018-19 and reached Rs. 80,000 crores in 2023-24 more than doubling in just six years. Substantial financial growth reflects markedly improved value addition and brand strength amongst major dairy co-operatives with significant market penetration occurring nationwide suddenly. Membership swelled remarkably from 3.2 crore rising sharply and abruptly to 4.2 crore signifying heightened participation and stark livelihood dependency on this sector. Women's participation has grown steadily from 30% to 40% signifying a substantial leap towards empowerment of women in rural cooperatives. Rising share of women indicates broader social impact and diversification in rural

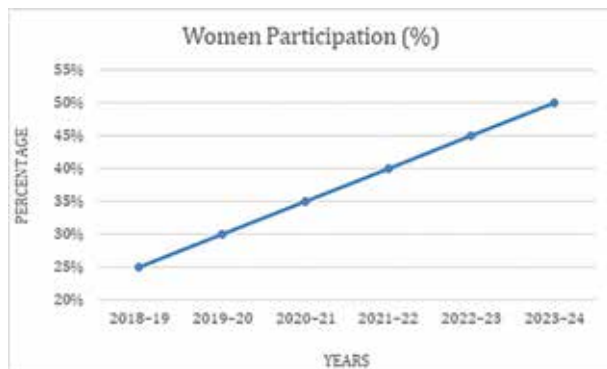
income sources somewhat surprisingly nowadays. Dairy co-operatives have demonstrated robust performance in procurement and membership reinforcing their importance in ensuring rural development and economic sustainability nationwide.

Table: 3. Fertilizer Co-operatives (e.g., IFFCO, KRIBHCO)

Year	Milk Procured (Lakh Ltr/Day)	Annual Turnover (Rs. Cr)	Women Participation (%)
2018-19	86	57,000	25%
2019-20	89	58,000	30%
2020-21	90	59,000	35%
2021-22	92	61,000	40%
2022-23	95	65,000	45%
2023-24	97	70,000	50%

Source: IFFCO & KRIBHCO Annual Reports, Ministry of Chemicals and Fertilizers, Cooperative Fertilizer Distribution Network Data.





Interpretation

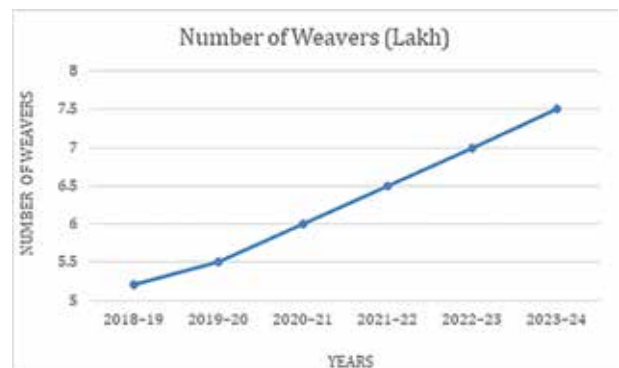
Fertilizer co-operatives like IFFCO and KRIBHCO showed remarkably steady growth in various social and operational performance indicators from 2018–19 onwards till 2023–24. Milk procured listed likely meant fervently to represent fertilizer distribution still reveals sharply an upward trajectory amidst glaring data mislabelling. Quantity listed shot up from 86 lakh units per day in 2018–19 and reached 97 lakh units daily in 2023–24 indicating pretty consistent growth. Annual turnover jumped sharply from Rs. 57,000 crores during six years reaching Rs. 70,000 crores reflecting a significantly growing farmer base and super-efficient operations. Fertilizer co-operatives exhibit robust commercial vigour amidst wildly fluctuating agricultural market conditions and intense input cost pressures. Women's participation shot up markedly from 25% in 2018-19 to 50% in 2023-24 marking a whopping 100% hike. Rise in rural areas aligns with broader development goals and indicates improved access for women in employment and leadership roles within cooperatives. Fertilizer co-operatives have shown remarkably consistent growth operationally and financially while progressing meaningfully toward social inclusion making them vital players nationwide in India's agricultural landscape.

Table: 4 Handloom & Weaving Co-operatives

Year	Turnover (Rs. Cr)	Number of Weavers (Lakh)
2018–19	2,400	5.2
2019–20	2,800	5.5
2020–21	3,000	6.0
2021–22	3,500	6.5
2022–23	4,000	7.0
2023–24	4,500	7.5

Source: Ministry of Textiles, National Handloom

Development Corporation (NHDC), State Handloom Co-operatives Annual Reports.



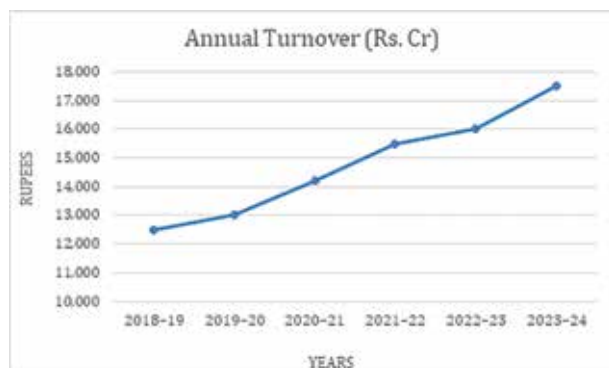
Interpretation

Handloom and Weaving Co-operatives exhibited fairly steady growth from 2018–19 to 2023–24 in economic performance and member engagement levels. Sector annual turnover jumped from Rs. 2,400 crore in 2018–19 to Rs. 4,500 crore in 2023–24 marking a whopping 87.5% increase over six years. Growing demand for handloom products reflects improved marketing strategies and possibly some enhanced support from government or institutions now. Weavers associated with these co-operatives swelled in number from 5.2 lakh fairly consistently over same period to 7.5 lakh. Rising membership suggests handloom co-operatives sustain and attract artisans by providing stable income opportunities and access to raw materials effectively nowadays. Handloom and weaving co-operatives have played quite a significant role in preserving traditional crafts by offering artisans a somewhat sustainable livelihood. Dual growth in turnover and weaver participation underscores sector relevance in broader goals of rural employment cultural preservation and inclusive economic development.

Table: 5. Fisheries Co-operatives

Year	Fish Production (Lakh Tonnes)	Annual Turnover (Rs. Cr)	No. of Members (Lakh)
2018–19	3.4	12,500	3.0
2019–20	3.6	13,000	3.2
2020–21	3.8	14,200	3.5
2021–22	4.0	15,500	3.7
2022–23	4.2	16,000	4.0
2023–24	4.5	17,500	4.2

Source: NFDB (National Fisheries Development Board), Ministry of Fisheries, State Fisheries Co-operatives.



Interpretation

Fisheries co-operatives in India exhibited remarkably consistent growth in production revenue and member participation from 2018–19

till 2023–24. Fish production skyrocketed from 3.4 lakh tonnes in 2018–19 and reached 4.5 lakh tonnes in 2023–24 representing a hefty 32% jump. Enhanced support mechanisms are provided through cooperative structures and better infrastructure reflecting improved aquaculture practices fairly significantly nowadays. Annual turnover skyrocketed substantially from Rs.12, 500 crore to Rs. 17,500 crore over same period representing a whopping 40 percent hike. Such growth implies more robust value chains and possibly enhanced cold storage facilities or better access to overseas markets suddenly. Cooperative membership swelled from 3.0 lakh upward of 4.2 lakh showing a steadily expanding base of fishers heavily reliant on co-ops. Expansion indicates growing trust in cooperative models as enablers of sustainable livelihoods in fisheries sector remarkably nowadays. Fisheries co-operatives have emerged rather vitally as key players in blue economy enhancing production quite significantly and promoting socio-economic development.

CONCLUSION

Research affirms cooperatives play a transformative role in fostering rural development by enabling collective bargaining and reducing poverty pretty effectively nationwide. Cooperatives must adapt quickly to digital innovation and receive continuous policy support and financial backing quite steadily nowadays. Bolstering cooperatives substantially contributes to rural revitalization in India and sustainable development goals being achieved effectively nationwide. **MA**

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Bolstering cooperatives substantially contributes to rural revitalization in India

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WHITE REVOLUTION 2.0: ENHANCING RURAL PROSPERITY AND STRENGTHENING COOPERATIVE EFFORTS FOR SMALL FARMERS

Abstract

This paper outlines the objective and strategic vision of *White Revolution 2.0*, a cooperative-driven initiative aimed at revitalizing India's dairy sector. Building on the legacy of Operation Flood, it seeks to enhance rural livelihoods, empower women, and boost income for small and marginal farmers through modernized dairy infrastructure, AI-enabled veterinary care, breed improvement, and digital milk tracking. With support from schemes like NPDD-2.0 and NDDB's initiatives for MPACS, the program emphasizes convergence of government efforts to ensure inclusive, resilient, and sustainable growth in the dairy sector, reaffirming the role of cooperatives in India's agrarian transformation.

Introduction

The White Revolution, popularly known as Operation Flood, was a transformative initiative launched in 1970 to achieve self-sufficiency in milk production and modernize India's dairy sector (NDDB, n.d.). At its roots lay the visionary leadership of Shri Tribhuvandas Patel, who in response to exploitative private dairies, mobilized farmers in Gujarat to form the Kaira District Co-operative Milk Producers' Union on December 14, 1946 later known globally as Amul (Amul, n.d.; Patel biography, 2024). Dubbed the "father of India's cooperative movement," Patel championed rural empowerment and laid the cooperative foundation upon which the dairy



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revolution was built (Tribhuvandas Patel, n.d.; Indian Express, 2025).

Dr. Verghese Kurien, inspired by Patel, joined the movement in 1950 as general manager of Amul and emerged as the architect of India's White Revolution. Under his stewardship, a strong network of village-level cooperatives was built, ensuring fair wages for farmers and delivering quality milk to consumers. Kurien's scientific approach and institutional acumen including the founding of the National Dairy Development Board (NDDB) in 1965—spurred nationwide replication of the cooperative model (NDDB, n.d.; Britannica, n.d.). Further bolstering rural capacity, he established the Institute of Rural Management Anand (IRMA) in 1979, a landmark initiative aimed at nurturing professional leadership for cooperative and rural development (IRMA, n.d.; NDDB, n.d.).

Together, Patel and Kurien redefined India's dairy ecosystem cooperativizing dairy farming, introducing modern scientific methods, and emphasizing women's participation and social upliftment (Indian Dairy Association, 2017). This strategic partnership transformed rural livelihoods, positioning India as

the world's largest milk producer (surpassing 22% of global production) (Wikipedia, 2025; NDDDB, n.d.). The legacy of Amul, NDDDB, and IRMA continues to emphasize the lasting impact of their vision in fostering inclusive rural growth and cooperative empowerment.

Objectives and Significance of the First White Revolution

The White Revolution, also known as Operation Flood, was initiated in the 1970s by the National Dairy Development Board (NDDDB) of India with the primary objective of transforming the country's dairy sector. The key goals of this revolutionary initiative included increasing milk production to achieve self-sufficiency in milk and milk products, enhancing rural incomes, and creating a nationwide milk grid that directly connected farmers with consumers, thereby reducing the influence of intermediaries. This effort aimed to improve the livelihoods of dairy farmers by providing access to better veterinary care, modern technology, and credit facilities, ultimately boosting productivity and ensuring high-quality milk production.

A significant aspect of the White Revolution was the replication of the successful *Anand Pattern* of dairy cooperatives, which empowered farmers by giving them greater control and ownership over dairy production and processing. This model played a critical role in fostering rural development and strengthening the cooperative movement in India. The significance of the White Revolution lies in its ability to address challenges related to both production and distribution of milk. It ensured the availability of affordable, high-quality milk across urban and rural areas, contributing to improved nutritional security for the population. Additionally, the initiative had a profound socio-economic impact, as it not only bolstered the rural economy but also paved the way for India to become one of the largest producers of milk in the world. By integrating farmers into a robust and sustainable dairy network, the White Revolution became a basis of rural development and food security in the country.

Key Features of the White Revolution

Village-level milk cooperatives formed the bedrock of India's White Revolution. These grassroots

organizations empowered small farmers and landless laborers to jointly own, manage, and control the entire value chain from production and processing to marketing turning milking into a profitable occupation (Chegg India, n.d.). The cooperatives not only provided essential inputs and veterinary services but also gave farmers a transparent pricing mechanism and a direct share in profits, eliminating exploitative middlemen (India Today, 2018; Sankalp India Foundation, n.d.).

A major thrust of the program was the genetic improvement of livestock. Through scientific cross-breeding, artificial insemination, and the introduction of vaccines like Raksha, the quality and productivity of dairy cattle improved significantly (Jagran Josh, 2024). The use of these technologies facilitated healthier, higher-yielding animals, fuelling rapid growth in milk output.

The establishment of the National Milk Grid was another milestone. By linking more than 700 towns and cities, this infrastructure ensured the efficient collection, transportation, and processing of milk reducing spoilage, standardizing prices, and smoothing regional supply demand disparities (India Today, 2018; FAO, n.d.).

Modern dairy infrastructure underpinned further sectoral growth. Bulk cooler units, chilling centres, and processing plants enabled the conversion of raw milk into value-added products—ghee, butter, cheese, skimmed milk powder meeting rising consumer demand and stabilizing market supply (Chegg India, n.d.). Financial incentives played a critical role. The government offered subsidies, concessional loans, and price support, encouraging producer investment in dairy farming and infrastructure, thereby democratizing access to the sector (Manorama Yearbook, 2024).

Finally, training and capacity-building initiatives, delivered through cooperatives and NDDDB, educated farmers on modern dairy management, animal health, and entrepreneurship elevating managerial skills and ensuring the long-term sustainability of cooperative societies (NDDDB, 2017; Chegg India, n.d.).

Achievements of First White Revolution (Operation Flood)

The First White Revolution, also known as

Operation Flood, marked a turning point in India's agricultural and rural development history. It transformed the country from a milk-deficient nation into the world's largest producer of milk, revolutionizing not only the dairy sector but also significantly contributing to rural livelihoods and the national economy. Launched in 1970, the revolution unfolded in three distinct phases, each playing a crucial role in reshaping the dairy landscape of India. One of its most notable achievements was the remarkable increase in milk production from 17 million tonnes in 1950-51 to 112 million tonnes in 2009-10.

In the first phase (1970–1981), efforts were focused on developing dairy infrastructure in ten states, with particular emphasis on increasing milk supply in metropolitan cities like Mumbai, Kolkata, Delhi, and Chennai. This phase laid the foundation for a sustainable and scalable milk production system. The second phase (1981–1985) witnessed the expansion of dairy cooperatives into additional states and districts. Innovations such as the development of the 'Raksha' vaccine improved animal health, while enhancements in milk marketing and distribution systems ensured efficient delivery to 144 cities, thus connecting rural producers with urban markets. The third phase (1985–2000) was characterized by rapid growth in dairy cooperatives. During this period, over 1,35,439 village-level milk cooperative societies were established, directly benefiting approximately 1.4 crore farmers. This widespread grassroots network not only consolidated India's global leadership in milk production but also catalysed rural economic development.

The White Revolution also played a key role in strengthening rural resilience. The launch of the Livestock Insurance Scheme in 2006 offered financial protection to farmers against losses caused by the death of livestock, thereby safeguarding their livelihoods. Another important outcome was the significant rise in per capita milk availability, which increased from 125 grams per day before the revolution to 263 grams per day in later years. The revolution modernized India's dairy infrastructure by encouraging the use of cross-bred cattle and promoting disease-free livestock, thereby improving productivity and quality.

Beyond the technical advancements, the revolution

empowered millions of farmers by placing control over dairy resources into their hands through cooperative structures. By eliminating middlemen, these cooperatives enabled farmers to receive fair prices for their produce while making milk more affordable for consumers. The movement energized the rural population and promoted dairying as a viable subsidiary occupation, contributing to rural self-reliance and inclusive growth. India's dairy sector continued to thrive beyond 2016-17, with the country accounting for nearly 22% of global milk production.

The economic impact of Operation Flood was profound. According to a World Bank audit, an initial investment of Rs. 200 crores resulted in an annual return of Rs. 24,000 crores to the rural economy over a decade an unprecedented input-output ratio in the history of development programs. This outstanding success demonstrates the White Revolution's critical role in fostering rural development and economic transformation in India.

Resilience and Importance of Cooperative Milk Supply Chain in India

India's cooperative milk supply chain is a cornerstone of the country's dairy industry. It ensures stability, resilience and economic empowerment, especially in crisis situations. During the Covid-19 lockdown, global milk markets suffered major disruptions, leading to the abandonment of milk in Western countries. But India's cooperative milk distribution network continued to function smoothly, ensuring uninterrupted supply of milk and milk products. Major cooperative societies, including Amul, Mother Dairy, Aavin (Tamilnadu), Nandhini (Karnataka), Milma (Kerala) and Vijaya (AP and Telangana) through a wide network, continued to procure milk from farmers even as private players scaled down operations. This model has played an important role in securing the livelihood of millions of small and marginal farmers and in sustaining India's dairy self-sufficiency.

Amul's integrated cooperative model empowers farmers by eliminating middlemen. This enables them to get a fair price in the consumer market. During the lockdown, cooperative societies converted surplus milk into value-added products like milk powder, butter and cheese. This will help

milk producers. Capable of responding quickly to market changes, managing milk procurement efficiently, and upholding consumer confidence even during the pandemic, the cooperative system plays an important role in ensuring food security in India and promoting economic growth in rural areas. This clearly shows the strength and importance of cooperative milk supply chain.

White Revolution 2.0

“White Revolution 2.0” is a transformative, cooperative-led initiative aimed at strengthening dairy cooperatives, generating employment, and empowering women across rural India. The primary objective is to boost milk procurement by dairy cooperatives by 50% over the next five years. This will not only ensure market access for dairy farmers in regions previously untouched by dairy activities but also significantly enhance the share of cooperatives in the organised dairy sector. By unlocking the untapped potential of the cooperative ecosystem and promoting inclusive growth, the initiative targets an annual milk procurement growth rate of approximately 9% a marked improvement from the current average of 6%. White Revolution 2.0 aspires to reshape India’s dairy landscape by deepening cooperative engagement and fostering rural economic development.

Rationale Behind White Revolution 2.0

The need for White Revolution 2.0 stems from several urgent challenges and opportunities in India’s dairy sector. First, milk productivity remains low: exotic and crossbred animals yield an average of 8.55 kg/animal/day, while indigenous breeds produce only 3.44 kg/animal/day. This disparity is more pronounced across regions Punjab averages 13.49 kg, whereas West Bengal’s exotic/crossbred yield is just 6.30 kg per animal per day (Drishti IAS, 2025; UJA Market Report, 2023). Bridging these regional gaps is essential for equitable productivity gains. The sector is also confronting a slowing growth in milk output, with the annual production growth rate declining from 6.47% in 2018–19 to 3.83% in

A key aspect of White Revolution 2.0 is empowering women farmers, promoting inclusivity, and improving farmer incomes

2022–23 (Drishti IAS, 2025; Expert Market Research, 2020). This deceleration threatens the ability to meet rising dairy demand and sustain farmer incomes. Furthermore, only 63% of total milk production reaches the market, and nearly two-thirds of that are unorganised

most cooperatives handle the organised segment. Nutrition-wise, milk plays a vital role in household food expenditure. In rural India, monthly per capita spending on milk is ₹314 surpassing expenses on vegetables, cereals, and eggs and ₹466 in urban areas, higher than spending on fruits, vegetables, cereals, and meat. Despite its importance, milk prices have risen sharply from ₹42 to ₹60 per litre over five years driven by increasing input costs, particularly feed and fodder. Further price inflation may undermine affordability, dampen demand, and threaten food security.

Lastly, environmental concerns are mounting: livestock emissions primarily from enteric fermentation and manure account for around 32% of human-induced methane emissions globally (Drishti IAS, 2025). In India, livestock and cattle contribute a substantial portion of national methane output (AP News, 2024; Gupta & Dasgupta, 2021). Addressing methane through sustainable practices and technological innovations is therefore critical. In response, White Revolution 2.0 is designed as a holistic approach to tackle these interlinked issues. It seeks to raise productivity, formalise supply chains, stabilise prices, and promote eco-friendly practices thereby ensuring a resilient, inclusive, and sustainable future for India’s dairy sector.

Project Strategy

The strategy of White Revolution 2.0 focuses on creating viable Dairy Cooperative Societies (DCCs) in villages lacking formal dairy infrastructure, alongside strengthening existing Primary Agricultural Cooperative Credit Societies (PACS) and dairy cooperatives. The National Dairy Development Board (NDDB) leads this through a “whole-of-government” model, integrating schemes previously housed in the Department of Animal Husbandry, with the ambitious goal of achieving

1,000 lakh kg/day of milk procurement by the end of year five. Expanding milk production blends genetic technologies, nutritional advances, and cost-effective feeding practices. One key intervention is the use of sex-sorted semen, which can yield up to 90% female calves, thus increasing the stock of high-yield dairy cows—especially in indigenous breeds while aligning with sustainability targets (Department of Animal Husbandry & Dairying [DAHD], 2024).

On the nutrition front, NDDDB and partners like Amul are implementing Total Mixed Ration (TMR) systems in Gujarat producing cost-effective, balanced fodder mixes of maize, jowar, and oat grass. TMR, which integrates forages, grains, proteins, minerals, vitamins, and additives supports improved milk yield and reduces methane emissions (Drishti IAS, 2024; Ensure IAS, 2024). The use of digestible forages, combined with methane-inhibiting additives, enhances health, reduces greenhouse gases, and enables biogas generation, contributing to a circular, eco-friendly dairy model (Times of India, 2025). These integrated interventions—cooperative expansion, genetic enhancement, and nutritional innovation—are designed to increase milk production, reduce cost pressures, mitigate environmental impact, and build resilience across India's dairy environment.

Comprehensive Action Plan

The National Dairy Development Board (NDDDB) plans to establish approximately 56,000 new multipurpose dairy cooperative societies (MDCS) over the next five years to extend dairy infrastructure to uncovered rural areas (Ministry of Cooperation, 2024; Indian Express, 2024). Where feasible, existing Primary Agricultural Cooperative Credit Societies (PACS) in these regions will be upgraded to start milk procurement and testing, thereby avoiding the redundant establishment of new facilities (Ministry of Cooperation, 2024; Indian Express, 2024).

To enhance procurement and quality assurance, NDDDB will deploy advanced infrastructure including Automatic Milk Collection Units (AMCUs), Data-Processor Milk Collection Units (DPMcUs), and other testing equipment across nearly 46,000 existing dairy cooperatives (DCS/PACS) to strengthen their capacity and transform them into modern Multi-Purpose Dairy Cooperative Societies (MDCS)

and Multi-Purpose PACS (MPACS) (Ministry of Cooperation, 2024; NDDDB Annual Report, 2021–22).

The AMCU is designed to instantly weigh milk, analyze fat and SNF content, compute payments, maintain transaction records, and digitally transfer data to unions and banks, improving transparency and efficiency (NDDDB technical specifications, 2017; Prompt DairyTech, 2021). Similarly, DPMcUs and bulk milk coolers will further professionalize milk procurement and handling operations (Ministry of Cooperation, 2024; NDDDB AR, 2021–22).

By integrating these modern technologies and infrastructure into the cooperative framework, NDDDB aims to empower rural communities to operate effective, digitally-enabled primary milk collection centres. Embedded within the “*whole-of-government*” implementation model, this strategy not only drives milk procurement targets but also enhances food safety, market access, livelihood opportunities, and digital inclusion in rural India.

National Programme for Dairy Development 2.0 (NPDD-2.0)

The vision of White Revolution 2.0 has been incorporated into the proposed National Programme for Dairy Development 2.0 (NPDD2.0), a new central-sector scheme under the Department of Animal Husbandry & Dairying. Financial support under NPDD2.0 is designed to establish village-level milk procurement systems, create milk chilling facilities, and implement capacity-building programs for milk value-chain stakeholders. An Expenditure Finance Committee (EFC) note has been circulated, and approval is anticipated shortly. The scheme is being developed in alignment with departmental guidelines to improve the sector's overall performance (Department of Animal Husbandry & Dairying, 2025; Ministry of Cooperation, 2024).

To inform design and implementation, NDDDB has initiated pilot projects in previously uncovered Gram Panchayats across Haryana, Madhya Pradesh, and Karnataka. These pilots led to the formation of 79 dairy cooperative societies (DCSs) engaging around 2,500 farmers, collectively procuring 15,000 L of milk per day. The pilots involved grants totalling approximately ₹3.8 crore, establishing critical insights into the support systems necessary for scaling this model. These initial efforts form the

foundational framework for expanding NPDD2.0 and achieving its envisioned goals (Indian Express, 2023; Vajiram & Ravi, 2024; NDDDB, 2024).

NDDDB Scheme to Support MPACS

Further, NDDDB has introduced a scheme to support PACS/MPACS in initiating milk procurement activities as an additional income-generating endeavour. Under this scheme, 1,000 PACS/MPACS will receive grants of ₹40,000 each to procure basic milk procurement and testing equipment. Implemented through Dairy Cooperative Institutions across the country, this scheme, with a total outlay of ₹4 crore, is being financed by NDDDB's funds. States are already expressing interest in availing benefits under this scheme, and the achievements will be integrated into the broader objectives of White Revolution 2.0.

Government Schemes Supporting the White Revolution 2.0: Leveraging Infrastructure, Health, and Genetic Improvement

The Animal Husbandry Infrastructure Development Fund (AHIDF) plays a pivotal role in expanding dairy cooperatives by financing the development of milk-processing units, value-addition facilities, feed plants, and vaccine production labs thereby strengthening the infrastructure essential for milk procurement and cooperative growth under White Revolution 2.0. The National Animal Disease Control Programme (NADCP) focuses on eradicating critical livestock diseases Foot-and-Mouth Disease (FMD) and brucellosis through mass vaccination drives under the Livestock Health & Disease Control Programme. In 2024 alone, India administered 44.6 crore FMD doses and 1.6 crore brucellosis vaccines (pib.gov.in). These efforts ensure a healthy bovine population, key to sustaining and elevating milk yields.

Under the Rashtriya Gokul Mission (RGM), the government promotes indigenous cattle breeds and genetic enhancement. The revised RGM (2021–26) features a ₹3,400 crore outlay and incentives of ₹5,000 per IVF-assisted indigenous calf; it also supports artificial insemination (AI) to furnish high-genetic-merit bulls strategies that have helped raise milk production by over 63.5% in the past decade. Complementing this, the National Artificial

Insemination Programme (NAIP) seeks to expand AI coverage. Phase IV (started Aug 2022) aims to cover 3.3 crore animals across underserved districts. To date, over 5.8 crore animals have been inseminated, benefiting nearly 3.8 crore farmers, helping enhance genetic quality and uplift milk productivity (dahd.gov.in).

The National Livestock Mission (NLM) addresses feed/fodder shortages, breed and entrepreneurship development, and livestock insurance. Since its 2014–15 inception and realignment in 2021–22, NLM has funded over ₹108 crore across 116 projects related to breed improvement and fodder enhancement and produced 1.03 lakh tonnes of quality fodder seeds supporting entrepreneurship and improved productivity. Collectively, these government initiatives—from infrastructure and disease control to genetic, nutritional, and entrepreneurial support—form a robust policy ecosystem to advance the infrastructure, health, genetic enhancement, and sustainability goals of White Revolution 2.0, positioning India's dairy sector for inclusive growth and resilience.

Expected Outcome

The anticipated outcomes of the White Revolution 2.0 are multifaceted. It is expected to provide market access to small-holder dairy farmers, ensuring fair and remunerative prices for their produce. The initiative will strengthen the entire milk value chain, encompassing procurement, testing, chilling, logistics, and processing infrastructure. With women playing a pivotal role in the dairy sector, particular emphasis will be placed on increasing their participation as cooperative members, fostering inclusivity and empowerment. Moreover, the enhanced milk procurement by dairy cooperatives is projected to bolster the organized sector's share in the dairy industry, ensuring improved food safety, quality control, and the availability of fresh and hygienic milk products. This initiative will also contribute to meeting the increasing domestic demand for milk and milk products while exploring export opportunities, thereby positioning India as a global leader in the dairy sector.

Conclusion

White Revolution 2.0 is a visionary initiative aimed

at transforming India's dairy sector by enhancing milk production, empowering cooperatives, and strengthening the organized dairy industry. By combining innovative strategies with infrastructural and financial support, the program envisions to revolutionize India's dairy industry, ensuring prosperity and inclusivity for farmers while meeting the evolving demands of domestic and global markets. Additionally, it focuses on reducing feed expenses, thereby ensuring sustainable growth while maintaining affordability. A key aspect of White Revolution 2.0 is empowering women farmers, promoting inclusivity, and improving farmer incomes. With strong infrastructural and financial support, the initiative seeks to meet both domestic and global market demands, driving prosperity, enhancing rural livelihoods, and contributing to the overall growth and sustainability of India's dairy economy. **MA**

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Corporate Corner

Congratulations!!!



CMA Srikanta Kumar Sahoo

Our heartiest Congratulations to CMA Srikanta Kumar Sahoo on assuming the charge of the Office of Director (Finance) in Odisha Power Transmission Corporation Limited (OPTCL), a Government of Odisha Undertaking with effect from 16th May 2025.

He is a Fellow Member of the Institute of Cost Accountants of India & Former Chairman of ICMAI-Eastern India Regional Council (EIRC) & Bhubaneswar Chapter. He has received Outstanding Performer "CMA CFO Award-2024" hosted by ICMAI on dated 23.06.2025.

Before his appointment as Director (Finance) in OPTCL he was working as Sr.G.M. (Finance)-Cum-CFO in GRIDCO Ltd. He played a pivotal role in executing key investment strategies, bolstering financial discipline & driving GRIDCO Ltd towards best power trading corporation of Odisha.

We wish CMA Srikanta Kumar Sahoo all the very best for his future endeavours.

THE INTERNATIONAL YEAR OF COOPERATIVES - 2025



The UN General Assembly has declared 2025 as the International Year of Cooperatives (IYC2025) to be celebrated under the theme “Cooperatives Build a Better World.” The theme highlights the lasting global impact of cooperatives and focuses on the fact that the cooperative model is a crucial solution for addressing various global challenges. Additionally, it underscores the significant role cooperatives play in advancing the implementation of the Sustainable Development Goals (SDGs) by 2030.

The key objectives for IYC25, as stated by the UN include:

1. Governments creating an enabling environment for cooperatives
2. Cooperatives promoting public awareness, developing new leaders, and leveraging cooperation
3. Institutions and development agencies promoting cooperatives through education, strengthening capacities, and facilitating international collaboration
4. The public understanding the cooperative identity and supporting cooperative initiatives

The Cooperative Development Board has associated with the UN for celebrating the IYC-2025 across India by upholding and organizing meaningful activities and programmes across the country for mobilizing the ‘Cooperative Movement’. The activities of the Cooperative Development Board undertaken this year so far towards the celebration of the International Year of Cooperatives-2025, include:

⊙ **One Day Training Programme titled “Building a Cooperative Mindset: Encouraging Cooperative Start-Ups” at New Delhi on 19.03.2025**

The Cooperative Development Board organized a Programme titled “Building a Cooperative Mindset: Encouraging Cooperative Start-Ups” at New Delhi on 19.03.2025 that was attended by around 100 professionals. Shri Kapil Meena, IAS, the then Secretary, National Council for Cooperative Training (NCCT) and Director, Ministry of Cooperation was the ‘Guest of Honour’ during the event. The speakers at the Programme were Shri Ganesh Gopal, who is affiliated to the International Cooperative Alliance (Asia-Pacific region) and CMA Dr S.K. Gupta sir, MD RVO ICMAI.

⊙ **Release of Guidance Note on Cooperative Societies, India**

The CDB also released a ‘Guidance Note on Cooperative Societies’, India on March 19, 2025 during the inaugural session of the Programme titled “Building a Cooperative Mindset: Encouraging Cooperative Start-Ups” at New

Delhi. This Publication is the first-ever single-point repository of the Overview of the Common and Pertinent Facets of the Major State Cooperative Acts, the Multi State Cooperative Act, important judgement and case laws in the field of Cooperatives etc. It also highlights the importance and modalities for effective management and auditing aspects in the field of Cooperatives etc.

The Publication is being well appreciated amongst the various Government Departments.

⊙ **One Day Training Programme titled “Financial Governance and Accountability in Cooperatives” in association with SICUN**

The Cooperative Development Board organized a one day joint Training Program with the Sikkim State Cooperative Union (SICUN) on the topic “Financial Governance and Accountability in Cooperatives” on 10th June’25 at Sikkim. The Programme was attended by around 100 participants in finance and accounting profile in various Cooperatives across the State.

⊙ **Training of 300 Senior Finance Professionals at Tamil Nadu in association with the Tamil Nadu Cooperative Union (TNCU), Govt. of Tamil Nadu**

The Cooperative Development Board of the Institute joined hands with the Tamil Nadu Cooperative Union (TNCU), Govt. of Tamil Nadu for providing training to their 300 finance professionals (in three batches, with 100 participants per batch) during the month of June-July, 2025. This Two Day Training Programme was well appreciated by the 300 senior Finance professionals already working in finance, auditing and accounting profiles in various Cooperatives across the State.

⊙ **COOP-A-THON- A Mini Marathon**

The CDB has associated itself with the COOP-A-THON event being organized by the Tamil Nadu Cooperative Union (TNCU), Govt. of Tamil Nadu at Chennai on 6th July 2025. The event has been organized with a vision to create awareness and to promote the spirit of ‘Cooperation’ amongst the masses at large.

Many more of such Programmes are in the pipeline as the CDB has offered to provide the technical resources for similar Training Programmes across all States and Union Territories of the country during this Year.

The CDB has also urged all the Regional Councils and Chapters of the Institute to also contribute in the above celebrations and to do their best in helping realize the true objective of celebrating the IYC-2025.



*Programme titled
"Building a Cooperative
Mindset: Encouraging
Cooperative Start-
Ups" at New Delhi on
19.03.2025*



*CMA Navneet Kumar
Jain, Chairman, CDB
felicitating Shri Arun
Kr. Upreti, the Hon'ble
Minister of RDD and
Cooperation Department,
Government of Sikkim on
11th June'25 at Sikkim*



CMA Nav Ratan Gupta

Director (Finance)

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CMA Nav Ratan Gupta has 34 years of post qualification extensive experience in Finance and Accounts in Industries i.e., Battery Company, Fertilizer Company, Transmission Sector in Power, Power Authorities and Construction & Technical Consultancy services. He has worked with many prestigious Companies. Presently Shri Nav Ratan Gupta is working as Director (Finance) of Bridge and Roof Co. (India) Ltd. since April 2023.

CMA Nav Ratan Gupta started his career with Willard India Limited. He worked as Accounts Officer with Pyrites Phosphates & Chemicals Ltd. and gained hands-on experience in Accounts Closing, Capitalisation of Assets, Valuation of Semi-Finished Product which are under Work in Progress, Cost analysis of Products, Physical verification of Asset, Contractor payments, and Statutory compliance, did the groundwork for future roles at high-level Management. During the 25-year of professional journey he was elevated to the position of General Manager (Finance), of Power Grid Corporation of India Ltd. Later on 7th November 2019 CMA Gupta joined Grid Controller of India Ltd. as Chief General Manager (Finance) and supervised both Corporate Centre and Regional offices, managing significant Government funds. From 20th April 2023 he joined Bridge and Roof Co. (India) Ltd. as Director (Finance).

Throughout each position, he demonstrated a consistent ability to drive financial performance, ensure compliance, and implement strategies for cost savings and growth. Driven by a deep respect for the skills and values to CMAs fraternity, CMA Gupta inspired his entire family to join on this path thus elevating CMA from individual to family passion.

Q1. Bridge & Roof has been a prestigious and trusted name in the Indian engineering and construction sector for over a century. In light of Government initiatives like the Bharatmala Project, how do you envision these large-scale infrastructure programs reshaping India's transportation network and connectivity?

Ans. Government initiatives like the Bharatmala Project represent a monumental shift in India's infrastructure landscape. These programs are not only improving road connectivity but also strengthening the backbone of the country's logistics and supply chain network. From a financial standpoint, such large-scale infrastructure development opens up avenues for sustainable growth, long-term revenue generation, and enhanced project pipeline stability for companies like Bridge & Roof.

As a company with deep-rooted experience in executing complex infrastructure projects, we see these initiatives as opportunities to contribute significantly to the nation's development. Improved highways, expressways, and logistics corridors will reduce transit time, lower logistics costs, and unlock the economic potential of previously underdeveloped regions. This will, in turn, attract industries, generate employment, and stimulate regional economies.

We also view these projects as enablers of long-term strategic growth, both for the nation and for our organization. At Bridge & Roof, we are aligning our financial planning, resource mobilization, and execution strategies to support and capitalize on this infrastructure wave. It's an exciting time to be in the sector, and we're proud to be part of this journey of transformation.

Q2. The construction and engineering industry today faces intense challenges in maintaining profitability while ensuring quality and adhering to sustainable practices. In your view, how can organizations effectively balance these critical dimensions—profitability, quality control, and sustainability?

Ans. Balancing profitability, quality, and sustainability is undoubtedly one of the most pressing challenges in today's construction and engineering landscape. From a finance perspective, it requires a strategic alignment of cost control, risk management, and long-term value creation rather than a short-term profit focus.

To begin with, profitability doesn't have to come at the cost of quality or sustainability. In fact, investments in quality control and sustainable practices often lead to better lifecycle cost efficiency, reduced rework, improved client satisfaction, and stronger brand reputation—all of which contribute to financial health in the long run.

At Bridge & Roof, we focus on financial planning that supports quality-driven execution. This includes detailed cost estimation, rigorous budgeting, and close monitoring of project milestones. We also evaluate suppliers and contractors not just on cost but on their quality compliance and environmental responsibility. Efficient procurement and value engineering play a key role in maintaining margins without compromising on standards.

Sustainability, meanwhile, is becoming a core expectation rather than an optional feature. As a finance professional, I see green building practices, waste reduction, and energy efficiency not as added costs, but as investments that future-proof our projects and improve their economic viability over time.

Ultimately, it's about fostering a culture of accountability, where financial discipline, engineering excellence, and environmental consciousness go hand-in-hand. Organizations that integrate these values into their operating model will not only stay competitive but also lead the way in responsible infrastructure development.

Q3. There have been growing concerns about the degradation in the quality of construction materials, potentially leading to safety risks and structural failures. Do you believe environmental factors are amplifying this issue, and what measures can be taken to mitigate such risks?

Ans. Yes, the concerns are valid. The degradation in the quality of construction materials is a serious issue that can compromise both safety and structural integrity. From a financial standpoint, the implications are significant—ranging from cost overruns and legal liabilities to reputational damage and long-term maintenance expenses.

Environmental factors are undoubtedly amplifying the challenge. Extreme weather conditions, rising pollution levels, and fluctuating temperatures are accelerating the wear and tear of materials, especially

when substandard components are used. For instance, corrosion of steel due to high humidity or premature concrete deterioration due to poor water quality are increasingly common concerns.

To mitigate these risks, a multi-pronged approach is essential. First and foremost, strict quality control protocols must be enforced across the supply chain—from raw material procurement to on-site testing. As Director (Finance), I advocate for allocating dedicated budgets for material testing, third-party audits, and technological interventions like non-destructive testing and IoT-based quality monitoring systems.

Secondly, sustainability and quality are not opposing forces—they can be aligned. The use of eco-friendly, certified materials with proven durability should be prioritized, even if they carry a slightly higher initial cost. Over time, they reduce maintenance and lifecycle costs, making them a financially sound choice.

Finally, we need greater collaboration between finance, engineering, and procurement teams. Financial planning should account for quality assurance as a risk mitigation tool, not just a cost center. At Bridge & Roof, we are moving towards a framework where financial prudence goes hand-in-hand with quality and safety—because in infrastructure, cutting corners is never an option.

Q4. With the Government of India's increasing focus on "Make in India" and infrastructure self-reliance, how is Bridge & Roof aligning its financial and operational strategies to support indigenous development and reduce dependency on imports?

Ans. The "Make in India" initiative and the broader push for infrastructure self-reliance mark a significant and strategic shift in the country's economic direction. At Bridge & Roof, we are fully aligned with this vision and have been proactively restructuring both our financial and operational strategies to support domestic capability building.

From a financial standpoint, we are prioritizing vendors and suppliers who offer quality indigenous materials and components. This not only reduces foreign exchange exposure but also strengthens the domestic supply chain ecosystem. We have introduced procurement policies that encourage

Indian manufacturers, especially MSMEs, to participate in our projects, while ensuring that cost-effectiveness and quality are maintained.

Operationally, we are leveraging our in-house engineering and fabrication capabilities more aggressively. We've been investing in the modernization of our manufacturing facilities to enhance productivity, reduce lead time, and improve quality control. This approach helps us rely less on imported pre-engineered materials and instead utilize locally available resources to the fullest.

Additionally, our budgeting frameworks now emphasize long-term cost benefits of domestic sourcing, even if upfront prices may sometimes be higher. The goal is to build resilient, self-sustaining supply chains that are not vulnerable to global disruptions. We're also exploring strategic partnerships with Indian technology providers to promote innovation that is home-grown and scalable.

In essence, our financial planning today is not just about profitability—it is about enabling national priorities. Bridge & Roof is proud to be contributing to India's journey towards self-reliance in infrastructure, by building with and for India.

Q5. The integration of digital technologies such as ERP systems, AI-driven analytics, and project management tools is transforming the infrastructure sector. From a financial leadership perspective, how do you see technology enhancing operational efficiency and decision-making in large-scale projects?

Ans. Digital transformation is no longer optional—it's a strategic necessity, especially in the infrastructure sector where large-scale projects involve complex coordination, significant capital outlays, and tight timelines. From a financial leadership standpoint, technologies like ERP systems, AI-driven analytics, and project management tools have become critical enablers of transparency, accountability, and agility.

At Bridge & Roof, we've been steadily integrating these technologies to strengthen both financial governance and project execution. ERP systems, for example, allow us to unify procurement, budgeting, inventory, and billing processes on a real-time platform. This significantly reduces manual errors, improves cash flow visibility, and helps in timely financial reporting and compliance.

AI-powered analytics offer us deep insights into cost patterns, risk factors, and productivity metrics. We can now forecast project overruns or material cost escalations well in advance and take corrective action before they impact profitability. These insights support smarter, data-driven decisions instead of relying purely on historical trends or intuition.

Project management tools, on the other hand, enable tighter monitoring of progress, resource allocation, and milestone tracking. This directly ties back to financial performance, because project delays and inefficiencies often translate into cost overruns. With real-time dashboards and integrated reporting, we are now better equipped to manage project health across locations, ensuring optimum use of capital.

In summary, technology is helping us shift from reactive to proactive financial management. It empowers us to not only control costs more effectively but also to create long-term value through improved project delivery, better stakeholder communication, and enhanced decision-making. At Bridge & Roof, we see digital integration as a cornerstone of our future growth strategy.

Q6. We would be delighted to learn more about your professional journey. Could you share some pivotal milestones or experiences that have significantly shaped your career?

Ans. Thank you—it's been a rewarding journey of over 34 years in the Finance and Accounts domain across multiple sectors, including batteries, fertilizers, power transmission, and infrastructure consultancy. Each phase of my career has added a unique layer of learning and growth.

One of the most defining phases has been my current role as Director (Finance) at Bridge & Roof Co. (India) Ltd., a Government of India Enterprise. Since April 2023, I've focused on strategic financial restructuring, and I'm proud to say we've steered the company to a debt-free status and achieved a Balance Sheet with NIL CAG comments. Through the implementation of innovative financial tools and operational streamlining, we've generated annual savings of ₹10 crore, positioning the organization for long-term sustainability.

Prior to this, during my tenure at Grid Controller of India Ltd., I served as Chief General Manager

(Finance) and managed substantial government funds. This role demanded a high level of precision in statutory compliance, budgeting, and disbursement, especially as we acted as nodal agencies for key government programs. Managing such scale deepened my understanding of public finance and fiscal discipline.

My most extensive experience was with Power Grid Corporation of India Ltd. (PGCIL), where I spent 25 years, rising to the position of General Manager (Finance). I had the privilege of contributing to several high-impact initiatives, including securing international contracts and forming Joint Ventures with major private players like TATA Power and Reliance Energy. I was actively involved in tariff filing, regulatory compliance under CERC, and was part of the finance team that arranged loans for the JV "Powerlink" at highly competitive rates. I also played a key role in financial concurrence of projects, which sharpened my project finance and regulatory acumen.

Earlier in my career, at Pyrites Phosphates & Chemicals Ltd., I gained invaluable ground-level experience in capitalisation, cost analysis, and statutory compliance. And before that, at Willard India Ltd., I managed costing and MIS reporting—this gave me an early exposure to operational finance and reporting discipline.

Overall, I believe the blend of corporate, plant-level, and project site experiences—across both government and semi-government enterprises—has given me a comprehensive perspective on financial leadership. I've always believed in aligning financial strategies with broader organizational goals, and that principle has guided me throughout my career.

Q7. As a successful Cost and Management Accountant (CMA), what kind of industrial and vocational training would you recommend for aspiring CMA students to better prepare them for leadership roles in the infrastructure and construction sectors?

Ans. That's an important question. The infrastructure and construction sectors are complex and capital-intensive, requiring a deep understanding of both technical operations and financial management. For aspiring CMAs who

wish to take up leadership roles in this space, a strong foundation in industrial and vocational training is absolutely essential.

First and foremost, I recommend hands-on training in project accounting and cost control. These sectors thrive on accurate cost estimation, budgeting, and variance analysis. Students should seek exposure to live project sites or shadow finance teams working on EPC (Engineering, Procurement & Construction) contracts to understand how financial planning integrates with physical execution.

Secondly, training in contract management and financial modelling is crucial. A CMA working in infrastructure must understand contract clauses, escalation mechanisms, penalty provisions, and billing cycles. Familiarity with Public-Private Partnership (PPP) models, BOOT (Build-Own-Operate-Transfer) frameworks, and regulatory filings—particularly with bodies like CERC—is extremely valuable.

Exposure to ERP systems like SAP or Oracle is another key area. Today, most large-scale infrastructure companies rely heavily on integrated ERP platforms for managing procurement, inventory, payroll, and project finance. Proficiency in these systems enhances both employability and effectiveness.

In addition, CMAs should also develop practical knowledge in capital budgeting, working capital management, and fund mobilization, particularly from multilateral or institutional lenders. The ability to assess financial risks, evaluate funding options, and ensure statutory compliance is critical when dealing with large infrastructure portfolios.

I would also strongly suggest internships with PSUs or large infrastructure firms, where students can observe real-time decision-making, cross-functional collaboration, and strategic financial planning. Participating in cost audits, MIS preparation, and financial closure activities will further help in building a robust professional outlook.

Finally, aspiring CMAs must not overlook soft skills—leadership, communication, and stakeholder management are equally important. Financial leaders in this sector are expected to coordinate

with engineers, government bodies, regulators, and financial institutions. Being technically sound is important, but being able to influence and lead cross-functional teams is what defines a future-ready CMA.

Q8. Finally, do you see potential for a professional collaboration or tie-up between your esteemed organization and our institution for the development and training of future professionals?

Ans. Absolutely, I do see strong potential for collaboration. At Bridge & Roof, we firmly believe that building the future of infrastructure must go hand-in-hand with nurturing the next generation of professionals. Institutions like yours are hubs of talent and innovation, and a partnership can be mutually enriching.

From our side, we are open to structured programs that provide industry exposure, internships, live project experience, and expert lectures for students, especially in disciplines like finance, project management, engineering, and cost accounting. The infrastructure sector is evolving rapidly, and there's a growing need for professionals who are not only academically sound but also industry-ready. A collaborative training model can bridge this gap effectively.

We can also explore joint certification programs, faculty-industry exchanges, and case study development based on real-world projects undertaken by Bridge & Roof. This can help students understand practical applications of theoretical concepts, while giving our professionals a platform to share their expertise and mentor young minds.

Moreover, such a tie-up aligns well with the national focus on Skill India and Atmanirbhar Bharat, where academia and industry must work hand-in-hand to create a competent and self-reliant workforce.

So yes, we are very much open to exploring a meaningful partnership that fosters learning, innovation, and future leadership. We look forward to taking this conversation forward in a structured and goal-oriented manner. **MA**

Abstract

Finally, formally the word model is given its due importance in international valuation standards 2025 version by creating separate standard number 105. But it creates further maze of conceptual clarity and overlaps between the already existing terms valuation approaches, valuation methods and valuation techniques. This article is authors own interpretations based on logically thinking.

Valuation – Models



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With new standard IVS 105 for valuation approaches has been inserted in IVS 2025, this article tried to find differences overlaps and even confusions created between the terms valuation approaches, valuation methods, valuation techniques and now valuation models.

It is a tool used for quantitative implementation of valuation method in whole or in part.

Model It converts inputs into outputs in the development of value

While method refers to specific technique to develop value

IVS 105 refers to valuation models as “fit for purpose” in terms of assets or liabilities being valued, the scope of work and the valuation method.

Characteristics of appropriate valuation model

a. Accuracy, b. completeness, c. timeliness, d. transparency

Suitable for intended use is a must for model

It should be consistent with inputs

It can be developed internally or sourced externally

Limitations of any valuation models should be identified and adjusted

However, as of now valuation standards by Institute of Chartered Accountants of India 2018 edition has no separate standard for valuation model. It refers to word model in respect of option pricing, black schools, binomial, CAPM, Variable growth, constant growth even DCF, but does not explain it as a concept.

So, we need to dwell upon what exactly is the intent, need and what are common man (valuer) thoughts.

In valuation world, model word was already famous and well-known. It is good that now it has formal standard. As of now, it does not refer to word software and hence it can be expected as a future development. Like the words tally, XERO, MYOB, Peachtree, QUIKBOOK and then SAP & ORACLE became common words for accounting and ERP, I am sure some software will emerge which will be world class and some models from that will be referred. Or else approach-wise models will get properly defined or illustrative examples given.

Will models remain only manual or finally automation route will have to be prescribed, my view is it is question of time when these bodies will realise need of prescribing and integrating software models. One step further they will even be Artificial intelligence based. Synergy between methods and model also will need to be established. Good chance that methods and models might get integrated.

On a separate note, it is important to touch upon IFRS 13 & Ind AS 113 fair value measurement standards with reference to term valuation model. The word model is used again for CAPM etc, while valuation method word is used for almost same methods which are in IVS as well.

As regards valuation approaches IVS refers to 3 approaches market income and cost and calls them as principle approaches. On the other hand, IFRS 13 calls them most widely used approaches. Should there be more approaches for especially start-up type of valuation is an emerging area of debate as well as innovation. Particularly so, when we do have more than 10 methods come up for start-up valuation. High time even a separate valuation standard for start-ups is also developed.

Regards techniques of valuation, in IFRS 13 the word is used interchangeably along with valuation method or even approaches. So, time has come to clear-cut define all 4 terms clearly from accountants and valuer point of view. This will to an extent, bring standardization and thus ensure some basic compliances especially when valuation particularly arising out of some legal requirement.

It is also a matter of concern for valuers that he is supposed to be responsible for accuracy, even when he might be using external software, whose programs source codes are neither known to him nor possible to understand considering obvious inadequacy of technical knowledge. So some recognized software will have to come in play and they even though outsourced will have to give some guarantees and indemnities. The size of valuation becoming bigger throws a challenge in this aspect as well.

Net conclusion is valuation model word has taken it one step further with many further steps including automation and AI to be walked to make the valuation standard and process sturdy. **MA**

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THE SIGNIFICANCE OF STRATEGIC MANAGEMENT ACCOUNTING!

Abstract

International business demands a clever application of Strategic Management Accounting, so that the profitability and sustainability of such business can be assured. In the Gulf countries any revenue model faces volatility on account of crude oil price fluctuations.

Great Asian Construction Limited (GACL) is an Indian multinational company which operates in South Asia and Middle East. It performs in all the three sectors of construction viz. real estate, commercial and infrastructure. In the year 2015 it entered the market of Middle East and constructed a few royal villas for the members of the government. Somehow it could reach a break-even point in this business as some of the 'market uncertainties' escalated the major items of its construction cost. This was also a result of the sudden and substantial decrease in the price of crude oil. The decrease of 50% impacted the oil revenue very badly. Hence most of the planned projects starved of funds. The construction projects were somehow completed with heavy reduction in related budgets. This reduction obviously impacted the profitability of GACL.

Before entering the Gulf market, the company should have studied it carefully. This is because all the Gulf countries' economies are mainly driven by their oil revenue which depends on the global speculation of oil price. Therefore, GACL should have tactically used "Strategic Management Accounting" (SMA) i.e., a long-term view of its investment in the Gulf business and a suitable business model. Uncertainty of the oil revenue is a well-known phenomenon in the international market which must be a significant element of GACL's "Risk - Return Matrix". The company should have planned its business in Gulf based on an average "Risk - weighted ROI". In other words, as per the basic principle of Managerial Economics, this ROI should be tied with the price - movement crude oil. Obviously, this approach requires a careful study of the international market and the performance of Gulf currency against the Indian Rupee. A five years' strategic plan should take an account of risk - related weightage to be attached to the long-term behaviour of price, cost, business volume, working capital, routine & special capex etc.



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The other very important aspect of Strategic Management Accounting is a prudent mix of business model and earning model. GACL should have used two different business models, e.g. instant sale of residential houses and small commercial premises. It should have used the "PPP" Model (Public Private Partnership) in case of the infrastructure - related construction and large size commercial facilities. The PPP Model can take care of long-term earnings and oil price fluctuations. In other words, today's loss of profit should be compensated through tomorrow's higher earnings. Alternatively, the company could have opted for long-term operating lease. These two approaches should take care of a long-term average annual ROI and pay back of the capex. The governments of the Gulf countries would have happily agreed for a long-term arrangement of revenue sharing and an assurance of a legitimate ROI.

SMA also advocates natural hedging for "currency management". GACL should use the riyal or dirham-based capital for its Gulf business, which should take care of local currency fluctuations. This may require an independent entity to operate in Gulf. A long-term strategy should be to list this entity on a reputed international stock market, so that business valuation and raising of capital would become easy. SMA can be applied to a challenging financial model through a comparison between 'leased assets' and 'own assets'. The lease rentals can be pegged with the fluctuations in the local currency. GACL alternatively should operate a subsidiary in the US and finance the Gulf business using the 'dollar denominated' fund. This too should offer a natural hedge for managing the foreign currency.

The conclusion is, a fine combination of Strategic Management Accounting and Managerial Economics should have been used by GACL tactically to manage the financial sustainability of its business in the Gulf. **MA**

GST: COMMON ISSUES POSSIBLE SOLUTION

Abstract

Seamless flow of ITC, rationalization in GST rates, simplification of provisions, Zero-rated exports, IT driven systems, One-Nation-One-Market, better co-ordination among Centre-State governments, ease of doing business and any time-any-where are some of the main features of Goods and Service tax (GST) dual model as adopted in India. Because of all such good things, collection of Indirect taxes in India is all time high and it has become a biggest reform in indirect tax history. On 30th June, 2025 Goods and Service Tax (GST) has completed eight years journey in India and during last eight years GST has been changed/amended/redrafted many times so that it may suit Industry and Trade in India. But still GST needs further corrections to make it more user friendly and best suit to India Industry and Trade.

Many issues like Corporate Guarantee Service, Corporate Social Responsibility (CSR), Refunds against exports etc have already been addressed and settled under GST laws but many are still pending even after eight years of its existence which have created unnecessary confusion among stake holders and are subject to litigation for the industry and trade with no value addition.

In this article we have tried to highlight some of the issues, as narrated below, which need immediate attention of GST council to make the laws clearer and simpler from industry and trade perspective.

A. Cross empowerment of proper officers and parallel proceedings:

As we know India has adopted dual model of GST



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where in both Centre and State governments has power to impose taxes concurrently under Constitution of India on supply of goods and services or both. Due to duality in jurisdiction officers of both Centre and State governments enjoy the jurisdiction to impose GST and initiate related investigations, enquiries and issue notices at both levels. This duality of powers leads to parallel proceedings under GST. Under such circumstances, challenge is whether both Centre and State government officers can initiate proceedings in same subject matter simultaneously. In other words, if Centre government agencies have already initiated an investigation in one subject matter, can state government agencies initiate investigations in the same subject matter for the same tax period.

Section 6 of CGST Act, 2017 gives power to proper officers to initiate investigations against any person for any tax period. It also mentions that where any proper officer issues an order under CGST Act, he shall also issue an order under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as authorised by the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, under intimation to the jurisdictional officer of State tax or Union territory tax.

It is also mentioned that where a proper officer under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under CGST Act on the same subject matter.

Further section 6(3) also narrates that any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under CGST Act shall not lie before an officer appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act.

So, it is very clear from the plain reading of the provisions of the law that parallel proceedings or cross empowerment is not the spirit of the law. The basic purpose of section 6(2)(b) is to protect the taxpayers from a multiplicity of Show Cause Notices ('SCNs') issued by different authorities for the same subject matter and time. Section 6 of the CGST Act is drafted on the principle of 'comity of courts', where in a court will not pass an order that would otherwise conflict with an order passed by another court of law. The said principle is derived from Article 20(2) of the Constitution of India, which is against 'double jeopardy' where in a party already facing proceeding before an authority cannot be prosecuted on the same subject matter before another authority having jurisdiction over it.

To simplify the issues further, the Central Board of Indirect Taxes and Customs ('CBIC'), vide letter D.O.F. No. CBEC/20/43/01/2017-GST (FT.) dated 05.10.2018 clarified that though Centre and State officers are having powers to investigate the issues but there can be no overlap of jurisdictions between the centre and state GST authorities. The authority initiated the action has the power to complete the entire process of investigation, issue of SCN, adjudication, recovery, and filing of appeals arising from such actions and conclude the case with logical end. It is also mentioned that if CGST officers has initiated the case for any reasons, said officers need not to transfer the case to its counter parts in SGST department. Similar position will be for the cases initiated by SGST officers.

But if we go through the orders passed by the different Hon'ble courts during last eight years history of GST in the country, it shows that both Centre and State officers are involved in issuing SCNs parallelly which is against the spirit of the law and the constitution of India. Some of such cases are listed as under:

- a. In the case of *Anurag Suri v. DGGS*, the Orissa High Court held that if Central Government authorities are proceeding with a matter, State Government authorities should refrain from interference.
- b. Similarly, The High Court of Patna, in the case of *Fondement Bitumenous Industries*

(P) Ltd. v State of Bihar, also passed an order that there is no prohibition on the State Tax Authority initiating an action when the Central Tax Authority is already seized of the matter. However, only one assessment can be made for the same transaction, and it is appropriate for the authority that initiated the action first to continue with it while the other authority refrains from proceeding.

- c. In another case with the Madras HC in *M/s VGN Projects Estates Private Limited v. Assistant Commissioner (State Taxes) and others*, gave direction to the taxpayer to file a reply to the SCN issued by the State Tax Authorities, wherein the State Tax Authorities initiated parallel proceedings on a similar matter which was already pending before the Central Tax Authority. Finally, the HC held that if the defects were same in the SCNs, the proceedings shall be omitted, and proceedings shall be initiated against the assessee for the defects already the subject matter before the Central Tax Authority

Further, there are cases where in investigation initiated by Two Wings of the Same Department, which is really a harsh on the taxable person. However, it is mentioned that proceedings by audit wing u/s 65 are totally separate from the investigation undertaken by Anti Evasion Wing and the Range office. Finally, the HC held that once the audit proceedings have already been initiated, the Audit Commissionerate itself take them to the logical end. The proceedings commenced by the other two wings for the very same period, and the same subject matter shall not be proceeded with.

Our view point:

In management studies, under a chapter of effective communication, we learn that for transparency and accountability in an organisation the principle of 'Unity of Command and Unit of Direction' must be followed. In other words, instructions must come from one competent authority to achieve common goal of an organisation. Similar principle must be followed in GST laws by the authorities and proceedings must be initiated by jurisdictional officers and should be taken to a logical end. GST is an IT driven law and GST council is one agency in the country which take care of whole system. So, overlapping of any action or procedure can be avoided and effective systems can be placed without extra efforts. Though law does not stop any agency to initiate proceedings under GST laws against any taxable person but it has deep impacts.

In view of the above readings, it is said that practices of multiple proceedings by different authorities should be avoided, as it would lead to multiplicity of proceedings against the taxpayer, which is against the law's legislative intent. It will further lead to other complications such as multiple authorities expending, wastage of energy and resources on unproductive investigations reaching at contradictory findings. Under such circumstances, it is important that a harmonious drafting and understanding of the provisions must be adopted, which ensure smooth working of the statute and establish ease of doing business environment in the country.

B. 180 days horror.....

Section 16 of CGST Act, 2017, subject to such conditions and restrictions, allows to a registered person to avail Input Tax Credit (ITC) on goods or services or both supplied to him.

Section 16(2) impose some conditions and restrictions for recipient to avail ITC. One of the conditions as stated in second proviso to Section 16(2) and the same is reproduced as under:

*Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon **within a period of one hundred and eighty days from the date of issue of invoice by the supplier**, an amount equal to the input tax credit availed by the recipient shall be paid by him along with interest payable under section 50, in such manner as may be prescribed:*

As per the above said provision every registered person availing ITC on inputs, input services and capital goods need to reconcile or check each and every invoice/bill if payment is made with in period of one hundred eighty days from the date of taxable invoice/bill. Practically, it is not possible unless business entity has advanced computer software such as SAP/TALLY with such features. In country like INDIA very few have such software as it is a costly affair. MSMEs or other industry/business units can't afford such installation and pay heavy charges for their upgradation on regular intervals. Majority of business entities are using locally developed software for their general accounting and balance sheet are being drawn in excel sheets only.

In normal manufacturing business having turnover of Rs. two crores annually, there are minimum 50-60 bills on daily basis for inputs/input service and capital

goods. In case of trading units, it can be more. So, annually it has around twenty thousand plus bills. No professional can practically or manually check and confirm if payment is made with in specified time limits without having SAP or like software with such features. Sometimes payments are made in installments or down payments are made at different intervals. Scrutiny of Creditors ledgers every time before release of payment is also not possible.

Further interest on reversal of ITC to comply with the proviso is a cost to business entity which will increase their working capital requirement and also financial cost.

On the other side, for department officials also, it is not possible to check and verify each and every bill entry manually to establish that payments are not made with in one hundred eighty days. It is laborious and time taking job without any certainty.

To make the above proviso users friendly and to achieve the goal of 'ease of doing business' we suggest amendments to the said proviso as under:

Provided further that where a recipient fail to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon and the said amount is outstanding in books of accounts of the recipient for more than six months as on 31st March of respective financial year, an amount equal to the input tax credit availed by the recipient shall be paid by him along with interest payable under section 50, in such manner as may be prescribed:

As per the Indian Accounting standards (IndAS) business entities and companies do ageing (more than six months and less than six months) for their Debtors and Creditors and also have system of confirmation of closing balances as on 31st March every year by respective parties. In case of non-confirmation of such balance by respective parties, financial auditors give disclosure in their reports to the facts.

Such amendments will further help all the stake holders including department officials to reconcile the records in short period of time and will make the process easy and effective.

Our view point

Considering the hardship of the said proviso, GST council must look into and amend the provisions to an extent possible for the business in the country. It will save lot of efforts of trade and also of government officials. Reversal of ITC for payments not made

within 180 days and reclaim the same after payment of respective invoices has unnecessarily increased the number of transactions in books of accounts without having any value addition. Reconciliations of the same at the time of returns filing, assessments and adjudication waste lot of time. Provisions in the law must be practical, ease to understand and best in the interest of stake holders.

C. Section 9(4) not in line with Indian markets:

Revenue enhancement is ultimate target for any commercial organization and every organization uses different technics, schemes, options to have more and more revenue in their kitty. Every business house also put lot of efforts to increase their sales from their business every year and for that they have marketing teams and other supporting people with different skills. They work with a target and use various modes of operations to enhance revenue or sales. Increase in sales means increase in profits which ultimately leads to growth.

Similarly, government revenue departments collect taxes from the markets on business transactions. Revenue departments also fix their targets for any financial year and accordingly budget is finalized. There is always a challenge for the revenue department of any government to increase its revenue collection and stop tax evasion in the system. So, they also put lot of checks and balances in the system to have better results.

Goods and Service Tax (GST) is one of the latest and biggest tax reform in the country introduced wef 01.07.2017 after having a vast experience in Excise, Custom, Service tax and VAT in India. Except online transactions or e-commerce transactions, enough information, data and experience of how Indian markets work was available and accordingly GST laws were drafted to pluck the business transactions into main streamline. Like Indian constitution, GST concept of dual model was adopted after studying different practices adopted world over. Some of the sections in the GST laws defined very well that both industry and exchequer got excellent results. However, some of the provisions in GST has made bad impact and created lot of confusion in system resulting some people has taken undue advantages of the situation.

Section 9(4) is one of the sections which is not in line with Indian market. In country like India with one hundred forty-six crore population, we can't implement everything overnight. GST which has totally changed the concept of Indirect Taxes where in GST

is consumption-based destination tax, awareness of stake holders was a challenge. People were not ready to adopt such changes in business transactions and Section 9(4) added more pains to their worries.

Section 9(4) was made effective from 01.07.2017 when GST was introduced and put taxes on transactions done with unregistered person under reverse charge mechanism (RCM). RCM was not new concept in GST laws. For any input, input service and capital goods procured from a business not having GST number shall be subject to GST and buyer who is registered person is supposed to pay taxes on such purchases. Originally introduced Section 9(4) is reproduced as under:

(4) The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

Meaning there by if any registered person has bought any taxable goods or services or both, the recipient (registered person) shall pay tax on such goods or services or both at the rate as applicable under RCM. If the recipient wants to avail ITC, he may avail but before that he has to raise taxable invoice as per provisions of law to himself.

Let us understand the impact of Section 9(4) with following two examples:

Example 1:

We being consultants to one of our clients faced a situation wherein, a MSME with turnover of Rs. 500.00 lakh per annum manufacturer of cycle parts, serving tea to its staff free of cost on daily basis (twice a day). The tea was served by a vendor having tea stall outside the factory. The said vendor was used to get his bills of Rs. 1000/- or so, cleared on daily basis and that too in cash. So, as per section 9(4), MSME unit, is supposed to calculate tax at applicable rate and to deposit such tax under RCM on monthly basis. Such provisions under GST laws increased MSMEs input costs as it increased its working capital requirement as unit was having many such vendors.

Example 2:

A Centre govt PSU company having its electricity generation facilities in remote area of the country and main town is 45 KM away from the site. Company is having only one buyer for its outward supplies which was again a center govt PSU and company raises one

invoice a month. For any small items such as stationary, sanitation, house-keeping, pantry etc company needs to rush to said town. During procurement process, company was supposed to buy such petty items from unregistered vendors. With the introduction of section 9(4), company is supposed to pay tax on all such buying under RCM and it is to raise taxable invoices to itself for all such invoices and pay taxes accordingly. In other word, company has one outward supply invoice but invoices under RCM increased many times which has put extra burden on its overall operations.

Industry and trade raised their concern strongly and government/ GST council came out with *NN 08/2017-UTT(Rate) dated June 28, 2017 effective from July 01, 2017* giving relief to trade and industry for Rs. 5000/- per day value. It was also not acceptable to the industry and finally after almost three and half months of introduction of GST, government deferred the implementation of said section vide *Notification No. 38/2017-Central Tax dated 13th October, 2017* applicable with effect from 13.10.2017 till 31.03.2018.

So, for three-and-half months, this section was fully applicable on all such business transactions which had complicated the workings of the trade and industry and also of govt officials. WEF 13.10.2017 this section was not applicable and there was no need to pay GST on goods or services or both procured from an unregistered person under RCM till 31.03.2018. Later on said section was further kept at abeyance till 30.09.2019 (Notification No. 22/2018 – Central Tax (Rate) dt 06.08.2018)

Considering the implications of said section Government redrafted the sub-section 9(4) and introduced new section through CGST (Amendment) 2018 wef 01.02.2019. New sub-section is reproduced as under:

“(4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.”

In newly drafted sub-section government reduced scope of sub-section 9(4) and restrict the coverage of business transactions of specified buyers and specified goods or services or both. In other words now section 9(4) is not applicable to all registered


persons and buying of goods or services or both. Also, it is important to note that provisions of section 9(4) are applicable only when such registered persons and goods or services or both are notified.

Government by using its powers notified the specified taxable persons and goods or services or both under section 9(4) vide notification no 07/2019 -Central Tax (Rates) dt 29.03.2019 effective from 01.04.2019. **As per the said notification “Promoters” in real estate businesses or Developers of real estate projects were covered as ‘recipient’ or registered persons. Cement is notified as specified goods under section 9(4).**

Also covers inputs and input services fall short of threshold limit of 80% of total inputs or input services used in a project in financial year as defined under notification no 07/2019 -Central Tax (Rates) dt 29.03.2019. In other words, minimum 80% of total inputs and input services (excluding some of the listed services) are supposed to be procured from registered persons and for any shortfall shall be subject to GST under RCM.

Our view point:

When GST was talked about in the country, one of the main objectives was ease of doing business. But provisions like section 9(4) made the transactions complicated and made the operations bulky. It also side line the small vendors, those are not having GST registration. We must understand the way Indian markets are structured and are integrated. Such provisions have broken the supply chain in economy and logistics got disturbed. Such provisions are basically obstacle for “Vocal for Local” and “Make in India” concepts.

Though government has withdrawn the provisions of section 9(4) from the procurements made from unregistered persons (except in case of real estate) but in case of real estate, applicability of such provisions has made the issues more complicated. Real estate already suffering a lot for not having benefits of ITC. It has further increased the litigation and corruption to the extent. It will impact rural economy as many projects are being executed in rural India. The unemployment will increase further. So, we are of the view that government must re-look to said provisions and amend the law which suits India markets. 

References

1. CGST ACT, 2017
2. CGST Rules 2017
3. Notifications, Circulars issued under GST laws
4. Court case orders issued by different Courts

FORMATION OF GST APPELLATE TRIBUNAL - THE NEED OF THE HOUR

Abstract

GST aims to simplify tax compliance, while fostering transparency and accountability in tax administration. As the GST continues to evolve, stakeholder engagement becomes critical for addressing policy concerns and dispelling misconceptions surrounding the tax system and establish a system to resolve the disputes between the council and the stakeholders. As the GST pending cases have increased from 5499 to 14227 for the period between 2020-21 and 2023-24, which necessitates the establishment of an independent body to resolve the pending cases. Thus, the establishment of the GST Appellate Tribunal marks a significant advancement in India's tax administration, seeking not only to resolve disputes but also to safeguard the rights of taxpayers while ensuring compliance with the law.

Introduction:

The Goods and Services Tax (GST) represents a significant reform in India's taxation framework, aimed at consolidating various indirect taxes into a single, cohesive system. Introduced on July 1, 2017, GST aims to simplify tax compliance while fostering transparency and accountability in tax administration. The implementation of GST has necessitated an integrated approach, engaging both stakeholders and the technology sector to address the diverse needs of taxpayers across the country. The Government of India established the Goods and Services Tax Network (GSTN) as a pivotal entity in this ecosystem, initially formed as a private firm but later majority-owned by the government, to handle various front-end services for taxpayers, including registration, payment processing, and return filing



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(Kumar Deshmukh et al., 2022). To further bolster the GST framework, a vast network of GST Suvidha Providers (GSPs) has been formed which comprises 73 IT/ITES and fintech companies. GSPs are integral in developing applications that enable taxpayers to interact seamlessly with the GSTN, thereby enhancing user experience through technology-driven solutions. The selection of Infosys as the Managed Service Provider underscores the importance of technological infrastructure in delivering a user-friendly tax administration system. Moreover, the government recognizes the pressing need to address the challenges faced by Micro, Small, and Medium

Enterprises (MSMEs) in the unorganized sector, many of which struggle with inadequate IT systems and infrastructure. Addressing these disparities not only enhances tax compliance but also supports broader economic formalization efforts aimed at increasing the tax base.

GSTN's Outreach initiatives:

As the GST continues to evolve, stakeholder engagement becomes critical for addressing policy concerns and dispelling misconceptions surrounding the tax system. Initiatives focused on creating awareness and facilitating communication between stakeholders are essential for smooth implementation and compliance. As of June, 2024 GSTN's outreach initiatives have benefited around 8,437 persons by way of webinars, Trainings for tax officers and helpdesk agents. GSTN's YouTube channel has 4.1 million with 1.61 lakh subscribers. To address the tax payer's grievances, GST Interactive technical Assistant (GITA) through Chatbot has been established. (Government of India, Ministry of Finance, GST Council 2024). Such efforts will ensure that GST serves its purpose of creating a fair and equitable taxation environment, ultimately benefiting the economy and its contributors. Addressing the disputes relating to GST is vital function for an effective legal system (Goods and Services Tax Attorneys, 2023). During 49th GST council meeting, the proposal for setting up the GST Appellate Tribunal was approved and at the 50th meeting the rules governing the appointment and conditions of the President and Members of the proposed GST Appellate Tribunal was recommended (White & Brief. 2024). Eventually, on 31.07.2024 Ministry notified 31 benches of GSTAT with principal bench being in Delhi to be set up in all states and Union Territories. The aggrieved parties have the option to move to the High Courts and Supreme Court. With GSTAT coming into force, the country will have specialized bodies to handle disputes related to GST in a timely and efficient manner. The establishment of a specialized GST Appellate Tribunal is seen as a pertinent step in strengthening the dispute resolution mechanism within this framework, signalling the need for structured governance and judicial enforcement to support this transformative tax regime. In addition to the GST Tribunal, authorities like Alternate Dispute Resolution, Authority for Advance Ruling and Disputes Resolution Panel also functions to dispose the cases diligently.

Table 1: Monetary limits for filing appeals or applications by the Department before GSTAT, High Courts and Supreme Court

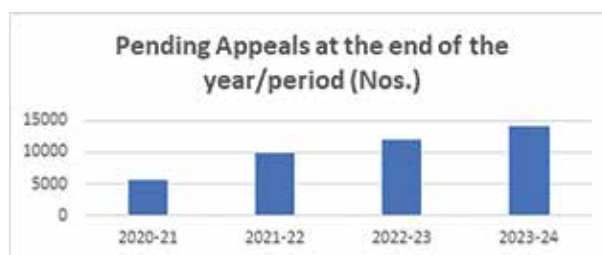
Appellate Forum	Monetary Limit (Amount involved in Rs.)
GSTAT	20,00,000/-
High Court	1,00,00,000/-
Supreme Court	2,00,00,000/-

Source: GST Council, circular-no-207-01-2024

The above table presents the monetary threshold limit for filing of appeals. As per Section 120 of CGST Act, Central Board of Indirect Taxes and Customs (CBIC), there will no further appeals if the amount involved is up to ₹20 lakh in case of GST Appellate Tribunal (GSTAT), up to ₹1 crore in case of High Courts and up to ₹2 crore in case of Supreme Court.

Table 2: Year-wise Number of Goods and Services Tax (GST) appeals related to Central Goods and Services Tax (GST) authorities pending at various levels from 2020-21 to 2023-24

Sl. No.	Year	Pending Appeals
1	2020-21	5499
2	2021-22	9759
3	2022-23	11899
4	2023-24	14227



Source: Open Government Data (OGD) Platform India

It is evident from the above chart that the number of pending cases for the period between 2020-21 and 2023-24 is growing in manifold. This shows that the redressal mechanism is slow with respect to disposal of the pending GST cases and absence of independent body (GSTAT).

The need for establishment of GST Appellate Tribunal

The Goods and Services Tax (GST) Appellate Tribunal is a pivotal institution established under India's GST framework to facilitate the resolution of disputes arising from the implementation of the tax system. As an appellate body, it serves to address grievances related to decisions made by the Goods and Services Tax authorities, thereby ensuring that taxpayers have a structured mechanism for redressal (Srivatsan, 2022). Established under Section 109 of the CGST Act, the Tribunal functions as an intermediary between the lower tax authorities and the higher courts, aiming to provide a swift and efficient means of dispute resolution. This institution plays a crucial role in reducing the burden on the judicial system by addressing issues specifically related to GST disputes, promoting adherence to the tax law, and enhancing compliance among businesses.

The GST Appellate Tribunal operates with a dual-tier structure, comprising the National Bench and State Benches, each responsible for adjudicating different categories of disputes. The National Bench primarily handles significant matters of broader tax implications, while the State Benches are tasked with regional disputes that pertain to specific state taxation issues. This structure not only decentralizes the decision-making process but also ensures that local nuances and jurisdictional variations are taken into account, promoting fairness and transparency. Each bench is tasked with adjudication by a quasi-judicial approach, enabling the Tribunal to interpret GST laws and provide rulings that foster uniformity in tax administration across various jurisdictions.

Conclusions:

The Goods and Services Tax (GST) Appellate Tribunal serves a critical function in the resolution of pending appeals within India's GST framework. The Tribunal is mandated to adhere to principles of natural justice, ensuring that both parties in a dispute have an equal opportunity to present their cases, thereby reinforcing the credibility of the resolution process. The provisions for appeals to the Tribunal are outlined within the GST framework, allowing aggrieved parties to challenge orders passed by the

The implementation of GST has necessitated an integrated approach, engaging both stakeholders and the technology sector to address the diverse needs of taxpayers across the country

Appellate Authority and other adjudicating bodies. This step is critical in enhancing taxpayer confidence in the system, as it not only legitimizes the authority of the Tribunal but also aligns with the overarching vision of the GST regime to promote a cooperative and competitive economic environment. By focusing specifically on GST-related issues, the Tribunal plays

a vital role in alleviating the burden on the judicial system, promoting compliance with tax regulations, and enhancing adherence to the law among businesses. Its efforts to resolve pending appeals contribute significantly to the overall efficacy and fairness of the GST regime, ensuring that taxpayers' rights are upheld while maintaining the integrity of the tax system. Thus, the establishment of the GST Appellate Tribunal marks a significant advancement in India's tax administration, seeking not only to resolve disputes but also to safeguard the rights of taxpayers while ensuring compliance with the law.

MA

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INVENTORY VALUATION UNDER INCOME TAX ACT - CREATING A LEVEL PLAYING FIELD FOR PRACTICING COST ACCOUNTANTS

Abstract

The insertion of Sub-Section 2A in Section 142 of the Income Tax Act 1961¹ in Finance Act 2023¹ on valuation of inventories has opened a new world of opportunities for Cost Accountants in Direct Taxation segment. The maintenance of Cost Records by business entities has assumed a great significance after this amendment in Income Tax Act 1961¹, as accurate inventory valuation is not practicable without an efficient Costing system. In this article, an effort has been made to highlight the features of the new enactment and efforts required in maintaining a level playing field for all Practicing Cost Accountants, however big or small firms they may be.

Introduction:

It is really heartening to note that, with the persistent efforts of our Institute and thanks to the thrust given by the Central Government for Costing and Cost Audit, the Central Board of Direct Taxes (here in afterwards called 'the Board') has recognized the pivotal role of CMAs as Inventory valuers for all types of Income tax assesses by inserting a new sub-section 2A in Section 142¹ of Income tax act 1961¹.

In this regard, the author has presented his views on the empanelment norms stipulated by the Board for undertaking this inventory valuation and on providing equal opportunities for all practicing CMAs. The Author has also given a few suggestions for enhanced role to be played by our practicing members in identifying potential assesseees to the Board so that the task of allotting inventory valuation



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of such entities to the empaneled CMA firms is made easier.

Norms prescribed by the Board for empanelment of PCMA's for Inventory valuation:

The norms prescribed by the Board for empanelment of PCMA's for inventory valuation are enumerated as under:

- ⦿ The applicant should be a reputed partnership firm or a proprietary concern or a Limited Liability Partnership (LLP), having its office in the area(s) falling within the territorial jurisdiction of Principal Chief Commissioner of Income Tax and primarily engaged in the profession of cost accountancy and cost auditing, having a staff strength of at least 5, including a minimum of 2 Cost Accountants who have been working continuously with the applicant for at least last one year as on 31st of March of the Financial Year in which the empanelment is proposed to be made.
- ⦿ The applicant should have filed returns of

income regularly upto the previous year of empanelment and the Gross Professional Receipts of the applicant exclusively from professional services like cost consultancy/ cost audits/internal audits/accountancy should not be less than Rs. 15 lakhs in any two out of the last five preceding financial years ;

- ⊙ The applicant should have cost accountancy/ cost auditing / internal audit / insolvency professional experience of minimum period of 5 years as on the end of the year of empanelment.
- ⊙ The applicant should have audited cost records of at least one business entity having turnover of Rs. 50 Cr or more in any two out of the last five preceding financial years

While it is imperative that the valuation of inventories by professional Cost Accountants require high degree of competency and skills, the parameters set by the Board for empanelment of Cost Accountants for the purpose of inventory valuation

may need further fine tuning in view of the possible difficulties that may be encountered by the Board in finding suitable candidates for empanelment.

The above norms will no doubt ensure that the inventory valuation is done in a fair manner by eminent and well experienced Cost Accountants. However, it is true that smaller CMA firms also have a role to play in the area of Inventory valuation. Following suggestions have been placed before the readers to modify the norms stipulated by the Board for empanelment of CMA firms which will allow even small CMA firms to participate in the empanelment process. In the case of large CMA firms fulfilling the existing norms as stipulated by the Board, they can be allotted inventory valuation of big size Corporates.

Categorisation of CMA firms:

In order to bring a level playing field for all Practicing Cost Accountants it is suggested that the PCMA's applying for empanelment may be categorized as follows:

Parameter	Category I	Category II
	CMA firms with Gross Professional Receipts of Rs 15 lakhs and above	CMA firms with Gross Professional Receipts from Rs 4 lakhs to Rs 15 lakhs
Present Norms for empanelment:	Suggested Revised Norms	Suggested Revised Norms
CMA firms having a staff strength of at least 5 including a minimum of 2 Cost Accountants who have been working continuously for the last One year	The minimum number of fully qualified Cost Accountants can be fixed at One instead of Two to ease the financial burden on the CMA firm.	Minimum Staff Strength of at least two (2) who shall be semi-qualified CMAs working continuously for the last One year. (To enable firms employing articled Trainees also to participate in the empanelment)
Gross Professional Receipts as per the last 2 IT returns should be Rs 15 lakhs and above	No Change suggested	The Minimum Gross Professional Receipts may be fixed at Rs 4 lakhs
The CMA firms should have minimum professional experience of 5 years in the field of Cost Accountancy/Internal Audit/Cost Audit/Insolvency Professional	Stock Audit experience may also be included in the options given	Stock Audit experience may also be included in the options given

Cost Audit of at least one business entity having turnover of Rs 50 cr and above in any 2 of preceding five years	No Change. The present norms can be retained	Suggested norms: ‘All practicing Fellow Member Cost Accountants with more than 25 years of post qualification experience in Cost Accounting/Inventory Management and in practice for more than 3 years’.
Turnover Threshold of the Assessee identified by the Board for Inventory valuation	Assessee with Annual Turnover of Rs 50 crores and above	Assessee with Annual Turnover upto Rs 50 crores

Justification for categorization of the CMA firms are given below:

1. If a Cost Accounting firm has to employ 5 employees and of which minimum of 2 should be qualified Cost Accountants, then the overall expenses of the firm may far exceed Rs 15 lakhs and it will be difficult for a medium size/small CMA firm to generate Cash Surplus per annum to meet the above expenses. Relaxation of this norm as suggested will enable the medium / small CMA firms also to conduct the inventory valuation without compromising on the quality.
2. It is pertinent to mention here that the average turnover of a medium / small sized firm varies from Rs 4 to 5 lakhs per annum assuming that the firm undertakes all types of accounting/audit and consultancy work every year except Internal Audit / Cost Audit of PSUs/Government bodies. Hence, the Gross Professional Receipts threshold is suggested at a minimum level of Rs 4 lakhs per annum.
3. In the norms stipulated for professional experience, it is suggested that experience in Stock Audit is also considered as many CMA firms undertake stock audit for Nationalised Banks which involves audit of quantity as well as value of stocks of various borrowers. In fact stock auditors of Banks can be whistleblowers in identifying clients deviating inventory valuation norms as per ICDS standards.
4. The stipulation of Cost Audit of Entities having turnover of Rs 50 crores may deny opportunities for many medium/small firms considering the fact that majority of CMA firms are small firms who seldom get an opportunity to undertake Cost Audit that too

for 2 years.

Our Institute is the only premier institute in the Country imparting Cost and Management Accounting Course for the last 75 years and CMAs graduating from our Institutes have been placed in Multinational Corporations, Mega Ratna PSUs and in Government Departments in pivotal positions. The examination is no doubt a tough one to crack and one must put in rigorous efforts to pass out the CMA exams.

Thus one may agree that a Fellow member of our Institute who has not only graduated from the Institute as a Cost Accountant but has put in post qualification experience of 25 years in his career can undoubtedly be an excellent choice for carrying out inventory valuation of income tax assessee.

Further, if only such Cost Audit firms are empaneled who have done Cost Audit of Companies with Turnover of Rs 50 crores and above, the Board may face a situation where many assessee need inventory valuation by CMAs but there may not be enough CMA firms available to undertake the assignments. Because, inventory valuation under Section 142(2A)¹ is not restricted to Companies alone. Almost all entities like Proprietorship firms, Partnership Firms, Trusts, HUFs and Societies are covered under this section. So the ultimate effect of this stipulation is that there will be more assignments for Inventory valuation but insufficient empaneled Cost Accounting Firms. Hence, relaxation of this norm would provide the Board with an exhaustive list of Cost Accounting firms making the task of allotment of assignments easier to the Board.

5. In order to ensure proper allocation of inventory valuation assignments to eligible firms, it is suggested that Category I CMA firms may be allocated assessee with a turnover of Rs 50 crores and above and for Category II CMA

firms may be allocated assessee with the turnover limit of upto Rs 50 crores.

Need for identifying the assessee – Key Sources and steps involved:

The initiative of the Board to plug the loopholes in Inventory valuation and preventing revenue leakages is highly appreciable. While there is no doubt that the Board, with its huge talent pool, will easily identify the potential assessee who can be targeted for invoking this section, one must also examine the various ways of helping the Board in identifying the assessee who deviate the inventory valuation norms. Because, having an exhaustive list of CMA firms for inventory valuation without a similar list of assessee who deviate the inventory valuation norms may not serve any purpose.

The trigger point to red flag the assessee deviating the inventory valuation norms rests with PCMA / CAs who undertake stock audit/tax audit of these entities. Whenever the Cost Accountants / Chartered Accountants discover non-compliance of business entities with ICDS standards for inventory valuation, it can be qualified by such stock auditors and tax auditors. Names of the assessee violating inventory norms may be uploaded by CMAs and CAs in the Income Tax portal in strict confidence under the section 'Tax professionals/external agency' so that it can be viewed by the Board. Thus, the tax professionals can aid the Board in ensuring compliance of assessee with ICDS standards on

inventories.

Conclusion:

While the new section 142(2A)¹ of Income Tax Act 1961¹ is a boon to many Practicing Cost Accountants, unless there are relaxations in the empanelment norms and smaller CMA firms are also given opportunities to participate in this inventory valuation exercise, the Board may find it very difficult to plug the loopholes in inventory valuation. It is also true that the Board needs an exhaustive data of assessee who deviate the inventory valuation norms with the support of Practicing Cost Accountants and other professionals thereby preventing revenue leakages to the Government.

Further, it is also important that those entities identified by the Board for inventory valuation by PCMA under this section also maintain proper Cost Records and the Cost Accountants may give their comments in Form 6C in case proper Cost records are not maintained by the assessee, as unless this is ensured, accurate inventory valuation by PCMA and compliance with ICDS standards on inventories is not possible. **MA**

Reference:

ICMAI Guidance Note on Inventory Valuation under Income Tax Act 1961¹

1. Note: This section is now classified under Chapter XVI - Section 268(1)(5)(ii) of the New Income Tax Bill 2025.

Corporate Corner

Congratulations!!!



**CMA Amitabha
Maitra**

Our Heartiest Congratulations to CMA Amitabha Maitra, an Associate Member of the Institute on assuming the charge of Chairperson, in Uttarakhand RERA on 19th May 2025. He graduated in Commerce from St. Xavier's College, Kolkata. He served in various capacities in both Central PSU and State PSU of Uttarakhand. Prior to joining UJVN Ltd (A Government of Uttarakhand U/T) in May 2003 as Deputy Chief Accounts Officer, he had served in Pyrites Phosphates and Chemicals Ltd (A CPSU under Ministry of Chemicals & Fertilisers) from 1990 to 2003. He also served in Power Transmission Corporation of Uttarakhand Ltd as Director (Finance) from 2015 to 2020. He superannuated from UJVN Ltd in 2021 as General Manager (Accounts). In October 2021, he was selected as Member, Uttarakhand Real Estate Regulatory Authority.

We wish CMA Amitabha Maitra the very best for all his future endeavours.

THE HIDDEN COST OF UNDER PRICING: WHY MARGINS MATTER MORE THAN MARKET SHARE

Abstract

In a world obsessed with growth, it's easy to assume that increasing market share is the key to business success. And often, the quickest way to capture more of the market seems to be under pricing competitors. 'Slash prices, attract more customers, and grow volume' — this becomes an attractive principle. But beneath the surface, under pricing comes at a steep cost. It drains margins, devalues brand, and attracts the wrong type of customer. It sets off a chain reaction that can trap even well-intentioned businesses into unsustainable models. In this article, we explore why prioritizing margins over market share is not just wise it's essential.

The Market Share Mirage

Many businesses equate high market share with dominance, assuming it will eventually translate into profitability. But what happens when the firm's increased sales volume is built on the back of poor margins? When each sale adds revenue but barely contributes to the bottom-line, let's take a deeper look at the financial reality.

Metric	Company A (Premium Pricing)	Company B (Aggressive Pricing)
Price per unit	₹100	₹70
Cost per unit	₹60	₹60
Gross margin	₹40	₹10
Units sold	10,000	20,000
Total Revenue	₹10,00,000	₹14,00,000
Gross Profit	₹4,00,000	₹2,00,000

Despite selling twice the volume, Company B earns



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only half the gross profit, given a certain price-elasticity of demand in a competitive market.

Why Margins Matter More

This isn't just about numbers it's about value. Company A earns more while producing less. Company B must support larger operations, logistics, customer service, and inventory all while fighting to maintain wafer-thin margins.

Under pricing turns businesses into volume machines, constantly grinding to stay ahead but rarely able to pause and invest in long-term improvements. Adequate margins can provide the firms with the following advantages:

1. **Strategic Agility:** Companies with strong margins can afford to experiment, invest in innovation, and pivot as needed.
2. **Shock Absorption:** Unexpected challenges inflation, cost escalation, supply chain issues, or demand dips are easier to handle when margins are robust.
3. **Talent & Tools:** High-margin businesses can afford better talent, better tools, and better outcomes.
4. **Brand Positioning:** High prices signal high value.

If firms under price, the product may be often perceived as 'cheap' regardless of quality.

Pricing Reflects Positioning

Pricing is one of the most powerful messages a business can send. It tells the market what the firm believes the product or service it provides is worth.

Grasping this transition is essential for any enterprise that seeks to sustain long-term growth and profitability. The ability to command higher prices indicates both the superior quality and uniqueness of the product or service, as well as the company's proficiency in consistently delivering value. An organization anchored on robust margins is better positioned to navigate the fluctuations of market dynamics, maintaining resilience in the face of adversity.

Raising a low price often encounters resistance. It anchors expectations. Over time, this erodes brand equity and customer trust. Brands like Apple, Tesla, and even niche B2B SaaS (software as a service) providers understand this. They don't try to compete for every customer. They focus on delivering value and protecting pricing power.

The Right Customers Pay What the Product is Worth

Many businesses are concerned that increasing prices or avoiding discounts will result in a loss of sales. However, value-driven customers prioritize more than just price; they consider outcomes, service, reliability, and experience. Rather than targeting 'more customers at lower prices,' it is advisable to focus on 'better customers at fair prices.' This strategy fosters loyalty, reduces churn, and enhances customer lifetime value.

Moving from Price to Value

The firm may start by asking itself the right questions:

- ▲ What problem are we solving that no one else is?
- ▲ How much is this solution worth to the customer?
- ▲ Are we selling a result or just a cheaper option?

Position the firm as a partner, not a commodity. The pricing must reflect the outcomes that it delivers.

◎ What unique problem are we addressing that no other company is?

- ▲ Identifying a unique problem is essential because it highlights our distinctiveness and the specific need we fulfill. By focusing on areas where competitors fall short, we can capture a niche market and create targeted solutions. This uniqueness should be

communicated clearly to potential customers to differentiate us from others.

◎ What is the value of this solution to the customer?

- ▲ The value of the solution lies in how effectively it meets the customer's needs and resolves their issues. Beyond the basic functionality, the firm may consider the tangible benefits such as timesaving, cost reduction, or improved efficiency that the solution provides. Customers must perceive it as indispensable for their operations or personal use.

◎ Are we offering a beneficial outcome, or merely a cost-effective alternative?

- ▲ It's important to determine whether the core benefit of the offering is its quality or price. A beneficial outcome means adding substantial value to the customer's business or life, whereas a cost-effective alternative might simply mean lowering expenses without significantly improving their situation. The firm must strive for the former to establish long-term relationships based on value rather than price.

It is crucial to position the firm as a collaborator rather than as a mere provider of products or services.

Conclusion: Play the Long Game

There's no denying the temptation to under price. It feels like action. It looks good on short-term reports. But it often undermines the very engine that sustains business margin. Smart pricing is not about charging more just because it is possible. It's about aligning the price with the true value the firm offers, and having the courage to stick to it. It is important to remember that profitability enables reinvestment, innovation, and growth. Market share without profit is simply vanity. MA

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TCM IN MANUFACTURING INDUSTRY

Abstract

Total Cost Management (TCM) represents a strategic methodology for evaluating cost awareness throughout an organization's various functions. In the light of escalating global instability, conventional TCM methodologies necessitate adaptation to maintain their efficacy. This document aims to provide critical components and phases involved in a comprehensive Total Cost Management assessment. TCM offers valuable insights into the cost maturity levels across different functions, thereby enhancing the flow of cost-related information.



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Introduction:

Total Cost Management (TCM) is a structured and systematic approach to manage costs, where cost maturity and awareness are evaluated using best practices adopted by leading industries in similar sectors. Originally developed by the Association for the Advancement of Cost Engineering (AACE International), TCM encompasses the optimal use of resources, risk assessment, business growth strategies, and organizational best practices.

It aligns cost strategies with business architecture, focusing on areas such as cost economics of new products, value chain efficiency, resource and economic efficiency, operational excellence, business sustainability, risk management, and profit growth.

More than just measuring costs, TCM involves comprehensive cost maturity assessments. Cost and Management Accountants (CMAs), supported by domain experts, play a pivotal role in conducting these assessments across functional areas.

Objectives of the TCM:

To reduce and control cost while strengthening organization's strategic position, while assessing TCM below questions need to be answered:

Whether cost is spent timely?

Is cost spent wisely?

Whether cost spent correctly?

Whether cost is spent perceptively?

With fluctuating raw material prices and evolving customer expectations, manufacturers are increasingly adopting TCM as a strategic tool to gain comprehensive visibility and control over costs across the entire value chain. Assessing TCM practices helps develop a roadmap for improving cost maturity.

Benefits of TCM:

Benefits	Description
Cost Savings	Identifies and eliminates unnecessary expenditures early.
Informed Decision-Making	Real-time access to accurate cost data enhances decisions.
Risk Mitigation	Proactive identification and management of potential risks.
Improved Forecasting	Facilitates accurate cost and performance projections.
Enhanced Accountability	Establishes clear roles for cost control responsibilities.
Lifecycle Perspective	Evaluates cost implications across the asset's useful life.

Challenges in TCM:

Challenge	Description
Cultural Resistance	Resistance to adopting a cost-focused culture.

Data Availability	Difficulty in accessing accurate and timely cost data.
Integration Issues	Challenges integrating TCM with ERP and project systems.
Training Requirements	Requires professionals with cross-functional and technical skills.

Components of TCM

TCM is an integrated approach that manages costs throughout the life cycle of a product, asset, or plant. Benchmarking industry best practices are to ensure cost governance, strategy formulation, risk mitigation, and profitability improvement, new business paradigm, risk mitigation drivers, identify profit pools, sources & levers. TCM encompasses all processes monitor and control costs which go beyond the traditional Cost Accounting practices by incorporating these key aspects:

- ⊙ **Product lifecycle costing**
- ⊙ **Process cost analysis**
- ⊙ **Supply chain cost integration**
- ⊙ **Continuous improvement and lean principles**

Let's elaborate these points:

Product Life Cycle Costing –

This approach evaluates the product's market viability and its ability to meet performance and quality expectations. It includes:

- ⊙ Standard vs. actual cost analysis
- ⊙ Profitability trend analysis

Key considerations in Product Life Cycle Assessment:

- ⊙ Is the targeted profitability achieved?
- ⊙ Are sales volumes sufficient for fixed cost absorption?
- ⊙ What is the product's market share and growth?

Example: Revenue & profit generated by product to be analyzed during lifespan vs planned.

Process Cost Analysis -

This involves detailed analysis of manufacturing processes and cost flows, the key aspects are as below that needs to be assessed:

- ⊙ Production stage wise Material consumption and yield analysis.
- ⊙ Scrap removal process & tracking thereof.
- ⊙ Capacity monitoring and activity-level work center assessments.

- ⊙ Routing time analysis (setup vs. run time).
- ⊙ Cost center accounting accuracy.
- ⊙ Expense monitoring (budget vs. actual).
- ⊙ MIS effectiveness and stakeholder awareness.

Example: Process costs to be drilled down in bricks to establish better control.

Supply chain cost integration

This is a strategic process of identifying, capturing, analyzing and optimizing costs associated with end-to-end supply chain starting from procurement to the delivery of finished goods. The objective is to gain a holistic understanding of the cost flow to support critical decision making & ultimately improve profitability. The performance indicators of Supply Chain to be analyzed w.r.t. budget: below can be the phases:

- A. Procurement – Operating & Capital Expenditure
- B. Logistics – Inward & Outward

Procurement:

Entire Procurement to Payment process to be assessed, which consist of the analysis of share of business of the vendors, PO/PR control checks, P&L impact of rates fluctuations of key material. The mechanism of material pricing needs to be checked whether there are fixed price contracts, annual review of cost pass through policy adapted with vendors. Mechanisms for make or buy decision need to be assessed through TCM. At the time of fixation of material rates Zero Based costing should be done & whether "Should Cost" approaches to be followed & agreement for Target Discount to be entered after completion of certain level of volume required to be decided. Process of long term strategic buying needs to be analyzed for the market/commodity based materials. Inventory strategies & review mechanism which is in place for materials & finished goods & tracking of actions taken on deviation w.r.t. standard is to be taken care of.

1. DoA (Delegation of Authority) for PO & PR approval to be followed.
2. How IT & Digital Technologies are used in procurement processes & the information is flowing in MIS for critical decision making?

Logistics

Inbound & Outbound logistic cost strategies that are followed at the time of fixation of rates & that includes the e-bidding process, lead time basis product

portfolio & the allowable tolerance for lead time that are agreed with transporters.

While doing all this there should be fixed rate contracts based on distance transported, because logistics costs are recoverable from customers either through term in SO or it is to be considered in standard price and this should be considered as base for negotiation with customer.

Currently there are associated services like transporters owned warehouses and it is possible to optimize this facility to have optimum utilization of space, as well as to utilize facility of returnable packing materials.

Example: Success of the organization depends on established controls & monitoring of the established controls, hence it becomes essential to have assessment over this point.

Continuous Improvement & Lean Principles

Continuous Improvement alternatively called as **Kaizen** and **Lean Principles** into a **Total Cost Management (TCM) Assessment** enables organizations to systematically reduce waste, optimize processes, and various OPEX related saving targets helps organization to remain cost competitive across the value chain. Since employees have day to day practical experience in operations hence they are the best resources to implement best practices & cost savings, hence most effective way of CI & LP is Employee-Driven Innovations to reduce costs without capital investments.

CI (Kaizen) is systematic process, gives organizational excellence by constant evaluation of processes. CI & LP can be run by some giving target savings, PDCA (Plan Do Check & Act), Use PDCA as a systematic loop for identifying, testing, and implementing cost-reduction initiatives. Lean manufacturing focuses on continuous reduction in inefficiencies. Practically lean manufacturing requires strong support from senior management, appropriate tools, progress monitoring mechanism & most importantly lot of efforts required to replace existing work practices. However after overcoming all these things lean manufacturing help organization to achieve organizational long-term goals.

Below are the key steps in Lean Production System:

- ⊙ Mapping of step-by-step process to distinguish value added & non value added activities.
- ⊙ Quantify costs associated with each step.

- ⊙ Identify bottlenecks, redundancies

Then prioritize cost reduction efforts in waste intensive areas.

Key steps in Continuous Improvement (Kaizen Events):

- ⊙ Material cost reduction.
- ⊙ Focus on the waste intensive area or solve specific issues.
- ⊙ Visual KPIs on cost, cycle time, and waste make problems obvious.

Example: CI & LP are playing vital role in streamlining the cost practices & to establish better cost controls.

Alongwith components of TCM, TCM to be assessed in below phases:

a. Business Strategy & Integration – Strategies related to Segmentation, Profitability & Operations are treated as key strategies:

- ⊙ **Segment Strategy** –
Business segmentation is utmost important for business decision making, growth potentials and customer reach strategy.
- ⊙ **Profit Strategy** –
Strategy of profit margins is a mix of volume, price, efficiency and product mix, where timely review of product level profitability must be done on timely basis with key stakeholders.
- ⊙ **Operations Strategy** –
Assessment of full plant capacity evaluation & monitoring thereof is required as far business potentials are concerned, for this bottlenecks of capacity evaluation, BEP levels to be defined while setting target for capacity utilization.

Competitive benchmarks to be done for volume, value & profitability levels, forecasting models to be reviewed while preparing long term goal plans & it should be reflected in the 3 year or 5 year business plans.

b. Risk Management

Risks to be categorized as Strategic, Operational, Financial, Technical & Environmental Risks & then integrate risks associated with the business & mitigation plan which are to be established. Risk mitigation plans should be dynamic & mitigation history to be recorded clearly.

- ⊙ Marketing Strategy -

- ▲ Pricing Strategy: Mechanism of product pricing, discount level to be assessed
- ▲ Profit Strategy: Product Mix Strategies, where own products matrixed as high/low/medium profit margin and volume based. Categorization of products as proprietary, value added & traded products.
- ▲ New Market & New Customer Strategy

Products strength analysis to be done as far as possible to gain market share, diversification of the markets & adding new customers and this profile is utmost important to mitigate risks associated with market.

c. Innovation/Research & Development

NPD strategies to be in place where products should be developed keeping an eye on high quality, enhanced features with lower cost. NPD is required to gain higher market share as well as it helps to move along with the market & save industry from becoming noncompetitive. Most importantly NPD should be developed keeping Target Cost, Business case to be prepared for each NPD that can be used as standard for comparison.

Target cost can be calculated as = Target Selling Price – Target Profit.

d. Operational Excellence

The key assessment is the Capacity Assessment which is the actual capacity utilization vs normal capacity in terms of units & hours. Production Planning & Control mechanisms are to be assessed in terms of the sales forecast, lead time analysis, planning of customer deliveries to avoid carrying excessive inventory. Adequate levels of inventory is to be determined & OTIFs (One Time In Full) to be measured. Below are the key measures which need to be taken into the account:

- ⊙ **Process Yield Analysis** –Right First Time, Cost of Quality, Rework Analysis, Variances of Actual consumption vs BOM.
- ⊙ **Inventory DCO** – Inventories to be analyzed as Days Consumption Outstanding, if industry is manufacturing Make to Order then slow moving or non moving inventory to be mapped against customer & advances received.
- ⊙ **Conversion Cost Efficiency** –Overall Equipment Efficiency, throughput rate, variance analysis mechanism vs standards & last year values, impact analysis of cost variances due

to shift in capacity utilization.

e. Cost Measurement & Management

Assessment of Costing policies followed by the organization & best suitable costing methodology: Costing should record granular level data by which cost reduction can be easily cascaded at any level in the organization based on the changing cost structure, driving the concept of Cost Increase/reduction and VAVE.

Profitability review mechanism should be assessed, Negative margin products should be recorded & highlighted to the management for necessary actions for price corrections. Costing data should be robust to provide data if product discontinuation decision to be made as well as conversion cost to be recorded to the level of running, set up cost and fixed and variable costs.

For monitoring of product pricing, end to end cost flow is to be tracked. The methodology of cost pass through should be in place so that real time decisions about selling prices can be made. DoA/LoA for approvals from finance is deemed vital for pricing of any new product. Creating a business case along with various levers for improving NPV, taking inputs from TCO (Total cost of ownership) is pertinent before pricing any product.

Assessment of usage BI tools like Power BI / ERP BIs is to be done.

Conclusion:

TCM serves as a comprehensive framework that empowers organizations to go far beyond traditional cost accounting. It embeds cost consciousness into every aspect of business operations enhancing decision-making, accountability, and operational excellence. The long-term benefits of adopting TCM such as cost efficiency, risk mitigation, and competitive advantage make it an indispensable tool in today's dynamic industrial landscape. MA

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1. <https://dynamicstudyhub.com/cost-management-meaning-scope-objectives/>
2. *Total Cost Management A Complete Guide - 2020* (Author - Gerardus Blokdyk).
3. *Strategic Cost Management: The New Tool for Competitive Advantage* (Author - Shank Govindarajan).
4. *Key components of TCM referred from industrial experiences during assessment of the TCM.*

Down The Memory Lane

July, 2015



From the left CMA Shyamal Kr Bhattacharya, Treasurer, EIRC, CMA S Natarajan, Advisor, TDEC , Chennai - ICAI, Shri Rajat Jain, ICMA Cadre, CMA Nisha Dewan, Joint Secretary, CMA Bibekananda Mukhopadhyay, Vice Chairman, EIRC of the Institute at the 'Session on Healthcare Cost Management' organized by Cost & Management Accounting Committee on July 3, 2015 at Kolkata



The Council Members (2011-2015) on July 21, 2015 at the Institute Headquarters, Kolkata

July, 2005

Diamond Jubilee Celebration (Concluding Programme) at Kolkata, 3rd July, 2005



Nishith Adhikari, Hon'ble Law Minister of West Bengal, lighting the inaugural lamp.

Also seen: Pravakar Mohanty, then Vice-President.

Down The Memory Lane

July, 2005



Inaugural session in progress. Seen from left-Dr. Sanjiban Bandyopadhyaya, CCM, Dr. H. R.Subramanya, then President; B.D. Gautama, IT Secretary of West Bengal Government, Subrata Bose, M.P; Nishith Adhikari, Hon'ble Law Minister of West Bengal

July, 1995



Sujit Chakravorti, Chairman, Andrew Yule & Co Ltd inaugurating the oral coaching at EIRC

July, 1985



The Mettur Salem Chapter organized a one-day seminar on "Energy Management" jointly with Indian Institute of Metals, Salem Chapter and Salem Steel Plant on 13th July, 1985

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



The Kottayam Chapter organized a factory visit to Hindusthan Newsprint Ltd on 22 July 1995

July, 1975



Rev. Fr. Devasia, Head of the Dept of Economics, Loyola College, inaugurating the First Southern India Cost Accountants Students Seminar organized by Students Facilities Committee of SIRC on 13th July, 1975

(Sitting from L. to R.): Shri S. Vijayakumar, Chairman of Seminar Committee; Shri K.Ganeshan, Head of the Dept of Economics, Vivekananda College and Shri V. Kalyanaraman, President, ICWAI

NEWS FROM THE INSTITUTE

EASTERN INDIA REGIONAL COUNCIL

HOWRAH CHAPTER

International Yoga Day 2025

On June 21, 2025, the Howrah Chapter of ICAI participated in International Yoga Day, embracing the theme "Yoga for One Earth, One Health." The event, held in Howrah, saw the chapter join global efforts to promote yoga's physical, mental, and spiritual benefits. This initiative underscored yoga's role in fostering healthier lifestyles, reducing stress, and connecting individuals with themselves and the environment, aligning with the "One Earth, One Family, One Future" vision.

BHUBANESWAR CHAPTER

CMA Career Awareness Program at Ganesh Sir's Commerce Academy, Puri

On June 7, 2025, a CMA Career Awareness Program was held at Ganesh Sir's Commerce Academy in Puri, Odisha. CMA Uttam Kumar Mohallik, a guest faculty member, provided detailed insights into career opportunities and the course curriculum of the CMA program. The event saw active participation from 80 commerce students and faculties of the academy, who had their queries addressed.

ICMAI-Bhubaneswar Chapter Inaugurates 74th Oral Coaching Session

On June 11, 2025, the ICMAI-Bhubaneswar Chapter held the inaugural ceremony for its 74th Oral Coaching Class for the December 2025 term. The

event welcomed new commerce students interested in pursuing a career as Cost and Management Accountants.

Dignitaries present included Chief Guest CMA Siba Prasad Kar, CGM (F), TPCODL, and Guest of Honour CMA Damodar Mishra, Secretary, ICMAI-EIRC. They were joined by CMA Sarat Kumar Behera, Chairman, ICMAI-Bhubaneswar Chapter, CMA Soumya Ranjan Jena, Secretary, ICMAI-Bhubaneswar Chapter, and CMA Surya Narayan Tripathy, Past Chairman, ICMAI-Bhubaneswar Chapter.

The speakers interacted with the students, discussing various aspects of the CMA profession and encouraging them to pursue their goals with dedication. They also assured the students of the Chapter's continuous support throughout their journey. Approximately 100 students and their parents/guardians attended the inaugural function.

Chapter Celebrates 11th International Yoga Day

On June 21, 2025, the 11th International Yoga Day was celebrated with enthusiasm at CMA Bhawan. Over 50 participants, including members, staff, students, and guests, took part in yoga sessions led by experienced instructor Mr. Manoj Kumar Rout.

The day commenced with peaceful meditation, followed by various yoga poses designed to enhance both physical fitness and mental tranquillity. The event underscored the benefits of this ancient practice in reducing stress and improving overall health. The celebration at CMA Bhawan highlighted the importance of integrating yoga into daily life for harmony and well-being, demonstrating the Chapter's dedication to promoting wellness and mindfulness.

Glimpses of Eastern India Regional Council



Howrah Chapter



Bhubaneswar Chapter



Bhubaneswar Chapter



Bhubaneswar Chapter

NORTHERN INDIA REGIONAL COUNCIL

JAIPUR CHAPTER

Campus Placement: Kalpataru Projects International Ltd. Recruits at Jaipur Chapter

On May 2, 2025, Kalpataru Projects International Ltd. conducted a campus placement drive at the Jaipur Chapter. Out of 15 candidates interviewed, 5 were selected. The selected candidates received a Cost to Company (CTC) of Rs 6 Lakhs, along with a Retention Bonus of Rs 4.20 Lakhs, which will be disbursed over three years in a 30:30:40 ratio.

Jaipur Chapter Hosts "AI Meets Finance" Seminar

On Sunday, May 18, 2025, the Jaipur Chapter organized its second seminar in the AI series, titled "AI Meets Finance." This event explored the intersection of artificial intelligence and financial management. CMA Anshika Tyagi from Delhi delivered the keynote address. Approximately 50 members attended the seminar.

Jaipur Chapter Celebrates CMA Foundation Day with Social Initiatives

On May 28, 2025, the Jaipur Chapter celebrated CMA Foundation Day with great enthusiasm and a focus on social responsibility. Members engaged in various community-focused activities throughout the day.

The morning began with feeding cows at Durgapura Gaushala, followed by donating food

items to Atmanirbhar Vridhashram, Mansarovar, to support the elderly.

In the evening, celebrations included a cake cutting ceremony filled with joy and camaraderie. The chapter also felicitated its respected senior members, acknowledging their contributions and dedication.

The day fostered a strong sense of togetherness among members, strengthening their relationships and creating a positive atmosphere.

Jaipur Chapter Inaugurates CAT Course for Ex-Servicemen

On Thursday, May 29, 2025, the Jaipur Chapter of ICAI inaugurated the Certificate in Accounting Technicians (CAT) course Batch (2025-26). This program, a collaboration between The Institute of Cost Accountants of India and the Directorate General of Resettlement (DGR), Ministry of Defence, is designed for retiring and retired JCOs/OR and their equivalents.

The inaugural session was graced by special guest Col Rajanish Lal, Council Member & Chairman of the CAT Dept., along with CMA Rajendra Singh Bhati, and NIRC Secretary CMA Rakesh Yadav.

The Jaipur Chapter's Management Committee expressed pride in hosting the course, especially following "Operation Sindur." The session was marked by motivation, enthusiasm, and a strong sense of purpose for the new academic journey. The program was conducted by CMA R.K. Jain, HOD - CAT.

Glimpses of Northern India Regional Council



Jaipur Chapter



Jaipur Chapter



Jaipur Chapter

SOUTHERN INDIA REGIONAL COUNCIL

TRIVANDRUM CHAPTER

Trivandrum Chapter Hosts PD Programme on Individual Income Tax Returns

On June 22, 2025, the Trivandrum Chapter conducted a full-day Professional Development (PD) program titled "Getting ready for Individual Income Tax Returns." The session was held at Hotel Maurya Rajadhani, Trivandrum. The key speaker for the event was CMA (CA) Ajith Sivadas, a Practicing Chartered Accountant.

Trivandrum Chapter Felicitates Members' Children

On June 22, 2025, the ICAI Trivandrum Chapter held a felicitation program to honor the children of its members. The event recognized those who have excelled in academics, arts, and sports.

ICMAI - Trivandrum Chapter Hosts "MSME Profit Mastery: Cost to Profit" Workshop

On June 25, 2025, the ICAI MSME and Startup Promotion Board, in collaboration with the District Industries Centre, Trivandrum, and The Kerala State Women's Development Corporation Ltd, successfully organized the "Entrepreneurs Meet – MSME Profit Mastery: Cost to Profit" workshop. The event took place at Hotel Residency Tower, Trivandrum.

The workshop was inaugurated by Smt. Bindu V C, Managing Director of Kerala State Women's Development Corporation Ltd. Other notable attendees included Shri Sharath V S, General Manager, District Industries Centre, Trivandrum; CMA TCA Srinivasa Prasad, Vice President ICAI; CMA Suresh R Gunjali, Chairman, MSME & Startup Promotion Board, ICAI; and CMA Pranav Jayan, Chairman, ICAI Trivandrum Chapter.

Eminent speakers provided insightful sessions, including Shri Sreedhar P K, Director and Head of

Digital Business, Travanleo Info Solution; CMA Vijith P, Practicing Cost Accountant; and CMA Prasannakumar S, Management Consultant.

Over 90 entrepreneurs participated, with more than 50% being women entrepreneurs. The program effectively highlighted the crucial role of cost management and financial management in MSME ventures, offering practical strategies to boost profitability and ensure business sustainability. The emphasis was on effective cost control and financial planning as key drivers for MSME success, inspiring attendees to adopt best practices for long-term growth.

This Entrepreneurs Meet served as a foundational event for future collaborations between ICAI, DIC Trivandrum, and KSWDC, aimed at enhancing financial and cost management capabilities within Kerala's MSME ecosystem. The organizers announced that more initiatives, workshops, and support programs are planned to empower entrepreneurs across the state.

THRISSUR CHAPTER

Thrissur Chapter Celebrates World Environment Day

On June 5, 2025, the Thrissur Chapter of the Institute of Cost Accountants of India (ICMAI) celebrated World Environment Day. CMA Sreepriya K, Chairperson, and CMA C N Narayanan, Chairman of the PD Committee, led the initiative by planting trees. Members and students of the chapter also participated in the celebration, demonstrating their commitment to fostering an eco-friendly environment. The chapter expressed pride in taking this step towards environmental protection and encouraged continued efforts.

Thrissur Chapter Hosts Webinar on Partnership Firm Taxation

On June 15, 2025, the Thrissur Chapter conducted a webinar as part of its Continued Education Programme for CMA members. The webinar focused on "Issues in Taxation of Partnership Firms on Admission, Dissolution and Reconstitution before and after 01.04.2021."

CMA Mejo K.M., Managing Committee Member (Co-opted), delivered the welcome address. The technical session was expertly handled by CA Rajan

C V. The session saw good attendance, with 51 CMA members participating. CMA C N Narayanan, Chairman of the PD Committee, Thrissur Chapter, delivered the Vote of Thanks.

Thrissur Chapter Inaugurates First Oral Coaching Session for 2025 Batch

On June 23, 2025, the Thrissur Chapter officially inaugurated its new batch of oral coaching classes for the Foundation, Intermediate, and Final levels. CMA Sreepriya K, Chairperson, lit the lamp to mark the beginning of the session, with CMA Vinod T V, Treasurer, also present. Students enrolled for the December 2025 term examinations and their parents attended the inaugural function.

Thrissur Chapter Hosts Seminar on Digital Banking

On June 29, 2025, the Thrissur Chapter organized a seminar on "Digital Banking – A Perspective" as part of its Continued Education Programme for CMA members.

CMA P V Antony, Secretary of the Thrissur Chapter, welcomed the attendees. The technical session was led by Mr. Francis George, Vice President, ESAF Small Finance Bank. Approximately 30 CMA members attended the seminar. The session concluded with a Vote of Thanks delivered by CMA C N Narayanan, Chairman of the PD Committee, Thrissur Chapter.

Thrissur Chapter Celebrates "A" Category Recognition by ICAI

On June 29, 2025, the Thrissur Chapter proudly celebrated its official recognition as an "A" category chapter by the Institute of Cost Accountants of India (ICMAI) at its Seminar Hall.

The function was inaugurated by CMA Praveen Kumar, Secretary, SIRC of ICAI, who lit the lamp. He was joined by current office bearers: CMA Sreepriya K (Chairperson), CMA P V Antony (Secretary), CMA O. Balakrishnan (Vice Chairman), CMA Vinod T V (Treasurer), and CMA C N Narayanan (Chairman, PD Committee). Past Chairmen CMA E C Warriar and CMA M. Madhavankutty were also present.

During the celebration, former office bearers of the Thrissur Chapter, tracing back to its

formation in 1992, were felicitated and awarded mementoes. These included CMA E C Warriar, CMA O. Balakrishnan, CMA P V Antony, CMA M Madhavankutty, CMA Siddharth A, CMA Jojo John Chungath, CMA Praveen Kumar, CMA Sreepriya K, and CMA Vinod T V.

The celebration concluded with a Vote of Thanks delivered by CMA Vinod T V, Treasurer, followed by dinner.

MANGALORE CHAPTER

Mangalore Chapter and MSPB Host "MSME Profit Mastery" Seminar

On Saturday, June 14, 2025, the Mangalore Chapter and the MSME & Startup Promotion Board (MSPB) of ICMAI jointly organized a one-day seminar at the S.D.M. Law College Centre for Post Graduate Studies and Research in Law Auditorium in Mangalore.

The program began at 10:30 AM with a welcome address by CMA Ullas Kumar M, Chairman of the Mangalore Chapter. Dignitaries present included CMA Girish Kambadaraya, Member, SIRC, and CMA Suresh R Gunjalli, Chairman, MSME & Startup Promotion Board and Council Member.

The Chief Guest for the seminar was Smt. Shruthi G.K., Assistant Director, Br. MSME DFO, Ministry of MSME, Mangalore.

The event featured several guest speakers, including Mr. Sathish Shetty, CGM – Materials, MRPL; Mr. Ganesh Bhandary, General Manager – Materials, MRPL; Abdur Rahman Musba, Head – Finance, Cardolite Speciality Chemicals India LLP; CMA Ramshankar Mishra, Senior Manager – Finance, MRPL; and CMA M. Ashok Kumar, Chairman, Mysore Chapter of Cost Accountants.

The seminar concluded with a Vote of Thanks delivered by CMA R. Purushottam, Vice Chairman of the Mysore Chapter.

COCHIN CHAPTER

Faculty Meet Focuses on Enhancing Academic Quality and Student-Faculty Relations

On June 14, 2025, a Faculty Meet was held at the Centre for Excellence (CFE), Chalikkavattom, Vyttila, with the primary goal of enhancing academic quality and strengthening institutional relationships. The meeting was attended by Executive Committee

members and faculty of the chapter.

Key discussions revolved around:

- ⦿ Innovative Coaching Strategies: Introducing new approaches to improve the overall quality of CMA coaching.
- ⦿ Collaborative Student-Faculty Relationships: Building a more responsive and collaborative environment between students and faculty.
- ⦿ Stronger Chapter-Student Connection: Emphasizing the importance of a deeper bond between the chapter and its students. Proposed initiatives included mentoring programs, regular motivational sessions, and enhanced academic and career guidance support. Suggestions also included more frequent feedback sessions, open forums for student queries, and improved communication channels.

Cochin Chapter Hosts Workshop on Insolvency and Bankruptcy Code

On June 20, 2025, the Cochin Chapter of the Institute of Cost Accountants of India, in collaboration with the Insolvency and Bankruptcy Board of India (IBBI) and Insolvency Professional Agency (IPA) of ICMAI, organized a Joint Professional Development Workshop titled "Workshop for Insolvency Professionals."

The session, held from 3:00 PM to 6:00 PM, saw active participation from practicing professionals, aspiring Insolvency Professionals, and members of the institute. The workshop aimed to update professionals on current practices and expectations under the Insolvency and Bankruptcy Code (IBC) and to provide a platform for knowledge sharing and professional interaction.

CMA Renjini R, Chairman of the Cochin Chapter, delivered the welcome address, stressing the importance of continuous professional development and the relevance of the IBC in today's financial landscape.

Shri Ravinder Maini, Executive Director, IBBI, provided opening remarks, highlighting IBBI's initiatives and the role of Insolvency Professionals in ensuring transparent and efficient resolution processes. Ms. Namisha Singh, Manager, IBBI, presented on "Expectations from Insolvency Professionals," elaborating on regulatory

expectations, ethical standards, and the evolving role of IPs in the resolution ecosystem.

CMA Sankar P. Panicker delivered a session on “Balancing Interest of Stakeholders under the processes of IBC,” offering insights into practical challenges faced by IPs and case-based discussions on stakeholder management.

Shri G.S. Narasimha Prasad, Managing Director, IPA of ICAI, delivered the concluding remarks, appreciating the active engagement of participants and encouraging professionals to stay updated with regulatory changes.

Cochin Chapter Celebrates Yoga Day

On June 21, 2025, the Cochin Chapter of ICAI celebrated Yoga Day to observe International Yoga Day. The event aimed to promote physical and mental well-being among members and staff through yoga.

The session was led by Smt. Sumathi, a trained yoga instructor, who guided participants through various asanas, breathing techniques, and mindfulness exercises. Participants enthusiastically engaged in the session, appreciating the positive energy and relaxation.

CMA Renjini R, Chairperson of the Cochin Chapter, thanked all participants and the instructor for a meaningful and successful event. The celebration saw active participation from chapter members and staff.

Cochin Chapter Launches Webinar Series: "Ind AS as a Strategic Enabler in Cost Auditing"

On June 21, 2025, the Cochin Chapter of ICAI successfully conducted the first session of its new webinar series, "From Compliance to Competence: Ind AS as a Strategic Enabler in Cost Auditing." The inaugural session focused on "Global Accounting Practices: Convergence of Ind AS and IFRS."

CMA Renjini R, Chairperson of the Cochin Chapter, welcomed attendees and emphasized the growing significance of Ind AS and IFRS in the global accounting landscape. CMA George P Mathew, Vice Chairman of the Chapter, introduced the keynote speaker, CMA Ramsankar Mishra, Senior Manager (Finance) at Mangalore Refinery and Petrochemicals Limited (MRPL).

CMA Mishra delivered an insightful presentation on the convergence of Indian Accounting Standards

(Ind AS) with International Financial Reporting Standards (IFRS). He highlighted the strategic relevance of aligning Ind AS with global standards and its role in enhancing cost auditors' analytical and decision-making capabilities. The session also covered practical challenges, regulatory updates, and opportunities arising from global harmonization in financial reporting.

The webinar concluded with a vote of thanks from CMA Arun Kumar S, Secretary of the Cochin Chapter, who expressed gratitude to the speaker, organizing team, and participants. The session was well-attended by members, students, professionals, and faculty from across the country.

Cochin Chapter Holds Orientation for New Intermediate & Final Batches

On June 28, 2025, the Cochin Chapter of ICAI hosted an Orientation Programme for its newly admitted Intermediate and Final batch students. The session aimed to welcome the students and provide them with essential guidance to confidently and purposefully begin their CMA journey.

Cochin Chapter Celebrates World MSME Day

On June 27, 2025, the Cochin Chapter of the Institute of Cost Accountants of India (ICMAI) celebrated World MSME Day. The event aimed to acknowledge the crucial role of Micro, Small, and Medium Enterprises (MSMEs) in the national economy and foster dialogue between professionals and industry stakeholders.

The session began with a welcome address by CMA Renjini R., Chairperson of the ICAI Cochin Chapter, who highlighted the significance of MSMEs in India's industrial growth and job creation. CMA TCA Srinivasa Prasad, Vice President, ICAI, delivered a felicitation address, sharing insights on ICAI's initiatives to empower MSMEs and the vital role of cost professionals in their strategic growth. Mr. Nagesh Babu, Principal Counsellor, CII TCM Division, also felicitated the occasion, discussing how MSMEs can benefit from structured cost control and value optimization processes.

Shri Varghese Malakkaran, General Manager, Investment Promotion/Facilitation, KSIDC, Thiruvananthapuram, formally inaugurated the event. He delivered an inaugural address, focusing on KSIDC's support for MSMEs in Kerala, including

available schemes, incentives, and support systems. He encouraged professional collaboration for sustainable MSME development.

The program concluded with a vote of thanks delivered by CMA Arun Kumar S., Secretary of the ICAI Cochin Chapter.

Cochin Chapter Hosts Two-Day Workshop on Total Cost Management Tools

The Cochin Chapter of the Institute of Cost Accountants of India (ICMAI), in association with the CII-TCM Division, successfully conducted a Two-Day Workshop on Total Cost Management (TCM) Tools on June 27th and 28th, 2025. The workshop aimed to enhance professional understanding of strategic cost management methodologies and industrial best practices, drawing enthusiastic participation from around 60 members including cost accountants, finance professionals, industry representatives, and academicians.

CMA Renjini R, Chairperson, ICMAI Cochin Chapter, delivered the welcome address, emphasizing TCM's relevance in today's competitive industrial environment and the importance of upskilling professionals in cost optimization and value creation.

The workshop featured four technical sessions:

- ⊙ "Introduction to CII TCM – Framework and Case Studies" by Mr. M. Nagesh Babu, providing an overview of the CII TCM framework and its application.
- ⊙ "TCM Tools and Techniques" by CMA P. Thiruvengadam, offering a deep dive into practical tools and analytical approaches.
- ⊙ "TCM Measurement and Management – Techniques and Case Study" by CMA M. Gopalakrishnan, focusing on measurement strategies, performance metrics, and cost drivers.
- ⊙ "Operational Excellence and TCM – Manufacturing Plant Improvement" by CMA S. Dorairajan, exploring how TCM drives operational excellence in manufacturing.

The workshop concluded with a Vote of Thanks by CMA Arun Kumar S, Secretary, ICMAI Cochin Chapter, who expressed gratitude to all contributors and participants.

Cochin Chapter Inaugurates CAT DGR Batch for Ex-Servicemen

On June 27, 2025, the Cochin Chapter of ICMAI proudly inaugurated its first batch of the Certificate in Accounting Technicians (CAT) Course under the DGR scheme. This initiative, approved by the Directorate General Resettlement (DGR), Ministry of Defence, provides structured accounting education and skill development for retiring/retired Junior Commissioned Officers (JCOs) and Other Ranks (ORs) from the Army, Navy, and Defence Forces.

The program was formally inaugurated by CMA TCA Srinivasa Prasad, Vice President, ICMAI with the ceremonial lighting of the lamp. CMA Renjini R, Chairperson, ICMAI Cochin Chapter, delivered the welcome address.

Shri Varun Joshi, Assistant Director, ICMAI, gave an insightful presentation on the CAT course structure, modules, and career scope for DGR candidates. The formal proceedings concluded with a vote of thanks delivered by CMA George P. Mathew, Vice Chairman, ICMAI Cochin Chapter.

COIMBATORE CHAPTER

Professional Development Programme on Internal Auditing at CMA Bhavan

On June 7, 2025, a Professional Development Programme on "Internal Auditing – Opportunities and Challenges" was held at CMA Bhavan, Ramnagar.

The session was led by CMA (Dr.) S.A. Gopalakrishnan, a Practising Cost Accountant. He focused on aligning internal audit practices with industry-specific needs, emphasizing skill-building, trainee mentorship, and relationship-based auditing approaches. A lively brainstorming session followed, where members exchanged real-time experiences and challenges.

Dr. Gopalakrishnan highlighted that "Internal Audit is not just about ticking boxes. It's about creating value, building trust, and helping organizations perform better."

Professional Development Programme: MSME – Trends and Challenges

On June 16, 2025, a Professional Development Programme on "MSME – Trends and Challenges" was held as part of MSME Month. The keynote speaker was Shri V. Rangaswamy, Vice President, CODISSIA.

The session highlighted various government

initiatives such as PLI schemes, the CODISSIA defence incubator, and the growth of chip-level and EV component manufacturing. It also addressed common challenges faced by MSMEs, including raw material dependencies and financing issues. The event concluded with an interactive Q&A session and a networking dinner.

Faculty Meeting for 100th Oral Coaching Batch at CMA Bhavan

On June 17, 2025, a Faculty Meeting was held at CMA Bhavan for the 100th Oral Coaching Batch. The meeting's objective was to elevate student results through enhanced faculty collaboration and continuous improvement.

Twelve out of seventeen faculty members participated. Chairman CMA (Dr.) R. Maheswaran emphasized the importance of actionable improvements and committed to implementing the feedback received.

Inter-Professional Cricket League: ICAI Secures Second Runner-up

On June 14, 2025, an Inter-Professional Cricket League was held at CIT College Grounds, fostering camaraderie among teams from ICAI, ICAI, and ICSI. The ICAI team secured the Second Runner-up position. The prize distribution ceremony took place on June 27, 2025, at ICAI Bhawan.

International Yoga Day: Professional Development Programme on Work-Life Balance

On June 21, 2025, an International Yoga Day Professional Development Programme was held with the theme "Work-Life Balance through Yoga." The speaker was Dr. J. Devi Shree from the Coimbatore Institute of Technology.

The session focused on mental health and holistic well-being, emphasizing yoga as a tool for stress management, emotional resilience, and achieving work-life harmony, particularly for professionals in high-stress roles.

Career Awareness Programs Reach Over 500 Students

Secretary CMA Subramaniam Kumar led a series of Career Awareness Programmes in June 2025, reaching over 500 students.

The sessions were held at:

- ⊙ Sri Ramakrishna College of Arts and Science – June 17, 2025
- ⊙ PSG College of Arts and Science – June 24, 2025
- ⊙ PSGR Krishnammal College for Women – June 26, 2025

These programs provided students with insights into the CMA course, professional opportunities, and the significant role of cost accountants in nation-building.

Coimbatore Chapter Attends 12th National Students' Convocation

The Coimbatore Chapter was represented at the 12th National Students' Convocation – 2025, held on June 23, 2025, at Vigyan Bhawan, New Delhi. Chairman CMA (Dr.) R. Maheswaran and Vice Chairman CMA U. Suryaprakash attended the event, which recognized the achievements of student members at the national level.

Professional Development Programme: "Equity and Derivatives Market – Current Trends"

On June 28, 2025, a Professional Development Programme on "Equity and Derivatives Market – Current Trends" was held. The speaker was CMA R. Thirunavukkarasu, Senior Manager – Finance, Lakshmi Ring Travellers Pvt. Ltd.

The session aimed to enrich members' knowledge of capital markets, focusing on technical tools, fundamental analysis, and candlestick pattern interpretation. Live demonstrations of investment portals and valuation metrics were also presented and well-received by the attendees.

BENGALURU CHAPTER

Programme on ESG and Sustainability

On 03.05.2025, the Chapter conducted a programme on "ESG and Sustainability - Framework, Reporting, Standard, Assurance - BRSR -Way Forward". CMA Siddhartha Pal, CMA Suresh R Gunjalli, Council Member, CMA Vishwanath Bhat, Chairman, SIRC, CMA Girish Kambadaraya, RCM-SIRC were the resource persons.

Meeting with insolvency professionals

On 05.05.2025, the Chapter conducted a

“Round-table meeting with insolvency professionals with other stake holder of the IBC Ecosystem”. Resource Persons were CMA Girish Kambadaraya IP, Mr. GS Narasimhaprasad IP, Mr. Ravindrabeleyur-IP, Shri Sudhendumukesh (Assistant Commissioner of central tax) Op Choudhary (DGM, SBI).

Campus Placement

On 14.05.2025 & 15.05.2025, the Chapter conducted Campus placement through HQ. The Companies are Bharat Electronics limited, NMDC limited & National agricultural Cooperative Marketing Federation of India Ltd. (NAFED), Avega Business solutions, Capgemini, RSM Astute Consulting Pvt Ltd & Corporate Service Company.

Programme with BFSI Board

On 27.05.2025, the Chapter in association with BFSI Board of ICAI conducted a programme on “Banking reimagined: Value Creation & Green Commitments”. Chief Guest: Sri Debasish Mukherjee, ED-Canara Bank, Resource Persons: CMA (Dr.) K Balu & CMA Siddhartha Pal, CMA Chittaranjan Chattopadhyay, Council Member and Chairman of BFSI Board of ICAI, CMA Suresh R Gunjalli, Council Member, CMA Girish kambadaraya RCM, CMA (Dr.) Abhijeet S Jain, Chariman, CMA Rejesh Devi Reddy, Secretary, CMA Santhosh G Kalburgi, Treasurer.

66th Foundation Day Celebration

On 28.05.2025, the Chapter conducted the 66th CMA Foundation Day Celebration. The Institute's flag was hoisted by CMA (Dr.) Abhijeet S. Jain, Chairman of the Bengaluru Chapter. As part of

the celebration, a Professional Development (PD) Program was conducted on the topic: “Beyond the Ledger: The Sporting Spirit of a CMA.” The event also featured a felicitation and talk by our proud achiever, CMA (Dr.) H. S. M. Bhatta, Former Chairman of the Chapter.

Career Counselling

On 08.05.2025, Career Counselling was conducted by Hindu Education plus Career Counselling – 2025 Karnataka in Jnana Jyothi Auditorium. CMA (Dr.) Abhijeet S Jain briefly explained about ICAI course. On 13.06.2025 Career Counselling was conducted in IEMS B School, Hubli and on 18.06.2025 in School of Business & Management Christ (Deemed to Be University) Bannerghatta Road Campus.

World Environment Day program

On 05.06.2025, the Chapter conducted a World Environment Day program.

On 14.06.2025 the chapter conducted a programme on “Navigate E-waybill, Optimize ISD ITC”.

Joint Residential Programme

On 21.06.2025 & 22.06.2025 a Joint Residential Programme was conducted by SIRC in association with Bengaluru Chapter & Mysuru Chapter of ICAI at Srirangapatna. On the evening of 21st June 2025, as part of the International Yoga Day celebrations, a special Yoga session was conducted during the Joint Residential Program itself. CMA Pranabhandu Dwibedy was the Chief Guest for the event.

Glimpses of Southern India Regional Council



Trivandrum Chapter



Trivandrum Chapter



Thrissur Chapter



Thrissur Chapter



Thrissur Chapter



Mangalore Chapter



Mangalore Chapter



Cochin Chapter



Cochin Chapter



Cochin Chapter



Cochin Chapter



Cochin Chapter



Cochin Chapter



Cochin Chapter



Coimbatore Chapter



Coimbatore Chapter



Bengaluru Chapter



Bengaluru Chapter

Baroda Chapter Offers Scholarships for CMA Final Course Students

The Institute of Cost Accountants of India, Baroda Chapter, is offering scholarships to students pursuing the CMA Final Course. This initiative aims to recognize academic excellence and provide financial support to deserving students.

The scholarships are made possible by the generous contributions of CMA Krishnavadan Shah, CMA Bikram Dutta Mishra, CMA Hirav Shah, CMA Bhimani Gattamaneni, and CMA Priyank Zala.

The Chapter's commitment to promoting academic excellence and community development is highly commendable. These scholarships are expected to significantly impact the educational journey of the recipients, helping them achieve their goals in cost accounting.

Baroda Chapter Celebrates CMA Foundation Day

On May 28, 2025, The Institute of Cost Accountants of India, Baroda Chapter, joyfully celebrated CMA Foundation Day at the Chapter Office. The event underscored the institute's commitment to excellence in cost and management accounting.

The celebration commenced with the lighting of the ceremonial lamp, followed by an address highlighting the journey and achievements of the CMA profession. Senior members shared their insights, inspiring budding professionals.

The program concluded with a networking session over refreshments, fostering unity and pride among all participants.

CPE Program on “Professional Avenues & Recent Developments

On May 28, 2025, the Baroda Chapter of The Institute of Cost Accountants of India organized a CPE (Continuing Professional Education) program titled “Professional Avenues & Recent Developments.”

The program aimed to guide members and students on emerging career opportunities in the evolving business landscape. Expert speakers, including CMA Mahesh Jaiswal and other industry professionals, shared valuable insights on the latest trends, essential skill requirements, and the importance of continuous learning and adaptability within the CMA profession.

An interactive panel discussion was a highlight of the event, well-received by attendees. It served as a motivating platform for young professionals to explore diverse roles and enhance their skills for future readiness.

Baroda Chapter Celebrates Tree Plantation Day

On June 5, 2025, The Institute of Cost Accountants of India, Baroda Chapter, enthusiastically observed Tree Plantation Day, demonstrating its commitment to environmental sustainability.

Members, students, and staff participated in the initiative by planting saplings in and around the Chapter premises. The event aimed to promote eco-awareness and encourage contributions towards a greener future.

This activity highlighted the Chapter's dedication to social responsibility and environmental care, reinforcing the message: “Plant Today for a Better Tomorrow.”

Baroda Chapter Hosts Round Table Conference on "Roadmap for Navigating IPO Journey"

On June 6, 2025, The Institute of Cost Accountants of India, Baroda Chapter, in collaboration with the Baroda Management Association & Central Gujarat Chamber of Commerce & Industry, organized an insightful Round Table Conference on "Roadmap for Navigating IPO Journey" at Hotel Tarasuns, Vadodara.

The event featured distinguished speakers CA Manish Akhilray Baxi and Ms. Parvathi Moorthy, who provided expert guidance on the financial, operational, and strategic steps essential for IPO readiness. Their insights helped participants understand how to enhance profitability, ensure transparency, and build investor confidence.

Professionals from various sectors, including

promoters, CEOs, startup founders, and finance experts, participated enthusiastically. The conference offered 4 CPE hours and concluded with a networking lunch, making it a valuable experience for all attendees.

Baroda Professional Institutes Unite for International Yoga Day

On June 21, 2025, the Baroda Chapter of WIRC of The Institute of Cost Accountants of India, in collaboration with the Vadodara Branch of WIRC of ICAI, Vadodara Branch of WIRC of WICASA, and Vadodara Chapter of WIRC of ICSI, celebrated International Day of Yoga at ICAI Bhawan, Vadodara.

Yoga Mentor Mrs. Mittal Joshi led the session, guiding participants through various yoga asanas and breathing exercises to promote physical and mental well-being. The event saw enthusiastic participation from members and students of all three professional institutes.

The one-hour session, held from 7:00 AM to 8:00 AM, was followed by a healthy breakfast. The celebration underscored the importance of incorporating yoga into daily life for a healthier and more balanced lifestyle.

Activity of Placement & Training

The Institute of Cost Accountants of India, Baroda Chapter, successfully organized various placement and training activities, benefiting a large number of its students and members.

PUNE CHAPTER

ICMAI-Pune Chapter Celebrates Foundation Day with Enthusiasm and Vision for the Future

On Wednesday, May 28, 2025, the ICMAI-Pune Chapter celebrated its Foundation Day at CMA Bhawan, Karvenagar. The event, held from 5:30 pm to 7:00 pm, brought together a diverse group of senior members, professionals, and students.

Distinguished attendees included CMA N. K. Nimkar, CMA Meena Vaidya (Advisor), CMA Prasad Joshi, CMA Nagesh Bhagane (Past Chairman), CMA Nilesh Kekan (Chairman), CMA ShrikantIppalpalli (Vice Chairman), CMA Rahul Chincholkar (Secretary), CMA Himanshu Dave

(Treasurer), along with other prominent members and enthusiastic students.

CMA Rahul Chincholkar, Secretary, welcomed everyone, emphasizing the significance of Foundation Day as a moment to honor the past and plan for the future. He highlighted the pride of celebrating at the beginning of the ICMAI-Pune Chapter's Diamond Jubilee year.

CMA Nilesh Kekan, Chairman, delivered an inspiring message, tracing the Institute's journey and highlighting the evolving role of CMAs in India's economic growth. He pointed out the unlimited scope in new avenues like taxation, customs, software implementation, and cost optimization, emphasizing the acceptance of CMAs in management and their crucial role in industrial success and profit. He urged professionals to uphold the Institute's values and act as brand ambassadors.

CMA Meena Vaidya, Advisor, congratulated the fraternity on the Institute's 66th Foundation Day. She stressed the importance of commitment and active participation from members and students in national and public events to strengthen the profession's visibility and social contribution. She also commended the Managing Committee's selfless efforts.

CMA Amit Shahane encouraged attendees to stay connected with the Chapter, referring to it as the "Mother Institute." He noted the expanding opportunities for CMAs in emerging domains such as business valuation and insolvency practice, while also reminding members of their accountability.

CMA Abhayraj More expressed gratitude to the Institute for shaping his career and fostering personal and professional growth.

CMA ShrikantIppalpalli, Vice Chairman, reflected on the growing global recognition of the Institute, citing the recent successful Diamond Jubilee celebrations. He reiterated the critical role CMAs play in strategic decision-making and encouraged promoting the CMA brand.

CMA Himanshu Dave, Treasurer, delivered the vote of thanks, urging students and members to introduce the CMA course to at least three new individuals to build awareness. He explained the Institute's logo, 'Tamaso ma Jyotirgamaya' (Lead us from darkness to light), and emphasized discipline

and dedication in achieving professional success and upholding the Institute's legacy.

Student representatives shared testimonials, crediting the Institute for empowering them with confidence and professional identity, and aspiring to elevate the ICAI brand to the level of other premier institutions.

ICMAI-Pune Chapter Hosts CPE on GST Appellate Tribunal

On Saturday, June 14, 2025, the ICAI-Pune Chapter successfully organized a Continuing Professional Education (CPE) program titled "GST Appellate Tribunal: You Must Know" at CMA Bhawan, Karvenagar.

CMA (Dr.) Sanjay Bhargave, a renowned expert in Indirect Taxation, led the session. CMA Rahul Chincholkar, Vice Chairman of ICAI-Pune Chapter, welcomed Dr. Bhargave and introduced him to the participants, while CMA ShrikantIppalpalli, Chairman of ICAI-Pune Chapter, felicitated the speaker.

During his comprehensive presentation, Dr. Bhargave delved into the GST litigation process, with a particular emphasis on the GST Appellate Tribunal (GSTAT). He covered crucial aspects such as GSTAT Procedure Rules, appeal withdrawal protocols, drafting Orders-in-Appeal (OIA), effective appeal drafting techniques, common errors, procedural dos and don'ts, and the overall impact of GSTAT on tax administration and taxpayers.

CMA Himanshu Dave, Secretary of ICAI-Pune Chapter, delivered the vote of thanks, commending Dr. Bhargave's clear and insightful presentation. The event received an enthusiastic response, with a large number of members attending and benefiting from the informative and interactive session.

CMA Himanshu Dave, Secretary of ICAI-Pune Chapter delivered vote of thanks at CPE on 14th June 2025.

ICMAI-Pune Chapter Celebrates 11th International Yoga Day

The ICAI-Pune Chapter observed the 11th International Yoga Day on Saturday, June 21, 2025,

at the Pune Chapter CMA Bhawan premises.

CMA Nagesh Bhagane welcomed participants and introduced CMA Gayatri Shirsat, a Yoga expert who led the session. CMA Shirsat began by explaining the profound philosophy and benefits of Yoga, emphasizing its role beyond just physical exercise, as a path to self-awareness and inner balance. She highlighted Yoga's importance as an ancient Indian discipline for nurturing physical, mental, and emotional well-being, particularly relevant in today's demanding lifestyles for maintaining mind-body harmony.

Following the introduction, CMA Gayatri Shirsat guided attendees through various asanas (postures), pranayama (breathing techniques), and meditation practices, all aimed at promoting clarity, relaxation, and physical vitality. The event served as a significant reminder that self-care and discipline are fundamental to true success.

Notable attendees included CMA Neeraj Joshi, Council Member, ICAI; CMA ShrikantIppalpalli, Chairman, ICAI-Pune Chapter; CMA Himanshu Dave, Secretary, ICAI-Pune Chapter; CMA Sujata Budhkar; CMA Nagesh Bhagane, Past Chairman, ICAI-Pune Chapter; along with staff members and students.

ICMAI-Pune Chapter Hosts Online CPE on Empowering MSMEs

On Saturday, June 21, 2025, the ICAI-Pune Chapter conducted an online Continuing Professional Education (CPE) program titled "Empowering MSMEs: Incentives & Opportunities for CMA Professionals."

CMA Ankita Singh was the speaker for the session. CMA Rahul Chincholkar, Vice Chairman of the ICAI-Pune Chapter, welcomed CMA Singh and introduced her to the attendees.

CMA Singh delivered an insightful presentation, detailing the critical role that CMAs play in supporting the growth of Micro, Small, and Medium Enterprises (MSMEs). She explained how CMAs can help MSMEs navigate the wide array of available incentives and schemes.

CMA Himanshu Dave, Secretary of the ICAI-Pune Chapter, delivered the vote of thanks,

acknowledging CMA Singh's valuable contribution and thanking all participants for their engagement. The program saw a large number of members attending.

ICMAI-Pune Chapter Donates Biscuits to Varkaris During Palkhi Procession

As part of its Diamond Jubilee celebrations, the ICMAI-Pune Chapter organized a biscuit donation drive for Varkaris during the sacred Palkhi procession in Hadapsar on June 22, 2025. This initiative blended the Chapter's commitment to social responsibility with community engagement.

This event marked a significant milestone, showcasing the Chapter's dedication to community service and enhancing the ICMAI brand among the lakhs of devotees attending the procession. The collective efforts of CMA Shrikant Ippalpalli (Chairman), CMA Rahul Chincholkar (Vice Chairman), CMA Nagesh Bhagane (Managing Committee Member), along with other members, students, and staff of the ICMAI-Pune Chapter, made this initiative a grand success.

AHMEDABAD CHAPTER

ICMAI-Ahmedabad Chapter Celebrates International Yoga Day

The ICMAI-Ahmedabad Chapter celebrated International Yoga Day on June 21, 2025, at Bharat Sevashram Sangh, near River Front, Ahmedabad.

CMA Mitesh Prajapati, Chairman, welcomed Shri Kaushal Vyas, a Yoga Trainer, along with members,

staff, their families, and students. Shri Kaushal Vyas shared his insights on the importance of Yoga and demonstrated various asanas during the program. The event saw good attendance from members, staff, family members, and students.

ICMAI-Ahmedabad Chapter Hosts CEP on MSME Benefits

On June 14, 2025, the ICMAI-Ahmedabad Chapter organized a Continuing Education Program (CEP) at its premises, focusing on "Various Benefits for MSMEs-Manufacturers."

CMA Mitesh Prajapati, Chairman of the Chapter, welcomed attendees and introduced the speaker, CMA Vikas Agarwal. CMA Vinod Savalia, a Chapter member, felicitated CMA Agarwal with a memento. CMA Agarwal delivered a detailed presentation on the subject, which led to an in-depth interaction among all participants. A large number of members attended the program.

ICMAI-Ahmedabad Chapter Celebrates 66th Foundation Day

The ICMAI-Ahmedabad Chapter celebrated the 66th Foundation Day of the Institute on May 28, 2025, by organizing a fun activity for its CMA students and members. This initiative successfully engaged a large number of participants.

The event also included a prize distribution ceremony for the fun activity. The celebration concluded with a cake-cutting ceremony, attended by office bearers, senior members, staff, and students of the Ahmedabad Chapter.

Glimpses of Western India Regional Council



Baroda Chapter



Baroda Chapter



Pune Chapter



Pune Chapter



Pune Chapter



Pune Chapter



Ahmedabad Chapter



Ahmedabad Chapter



Ahmedabad Chapter



Ahmedabad Chapter

Webinars

WEBINAR ON “ETHICS IN HR: EMPOWERING PEOPLE, ENHANCING CAREERS” JUNE 26, 2025

The Journal & Publications Committee, Training & Educational Facilities Committee and Career Counselling & Placement Committee, ICMAI jointly organized a webinar on the theme “Ethics in HR: Empowering People, Enhancing Careers” on June 26, 2025. Shri Mallar Chakrabarti, AVP, Head, Learning & Development, Grocery Retail, Reliance Retail was the Resource person and he discussed on empowerment and ethics in HR and how it enhances careers within an organization. How ethics in HR is practiced and institutionalized in organizations. CMA Vinayaranjan P., Chairman, T&EF and Career Counselling & Placement Committee, ICMAI and CMA Harshad S Deshpande, Chairman, Journal & Publications Committee, ICMAI welcomed the eminent resource person and also wished the CMA students for their bright futures. There was a brief question and answer session and the webinar concluded with the vote of thanks by CMA Sucharita Chakraborty (Additional Director and HoD), Journal and Publications. The webinar was moderated by Ms Indrakshi Bhattacharya, Journal and Publications Department, ICMAI.



WEBINAR ON “CROSS-BORDER AUDIT – KEY CONSIDERATIONS” JUNE 30, 2025

The Journal & Publications Committee, organized a webinar on “Cross-Border Audit – Key Considerations” on June 30, 2025 and Dr. Sanjib Kumar Basu, Dean, P.G. and Research Department of Commerce, St. Xavier's College (Autonomous), Kolkata was the resource person. CMA Harshad S Deshpande, Chairman, Journal & Publications Committee, ICMAI welcomed the eminent resource person who detailed on the concept of Cross Border Audit. This can include audits of multinational corporations, international financial transactions or entities with operations in several countries. The webinar concluded with a brief question answer session and the vote of thanks was given by CMA Sucharita Chakraborty (Additional Director and HoD), Journal and Publications. The event was moderated by Smt Somalika Chakraborty, Journal and Publications Department, ICMAI.



Seminar on
"Professional Avenues for CMAs and
Internal Audit in the Area of Artificial Intelligence"

7th June, 2025; JN Bose Auditorium, Kolkata

Organized by
Committee on Internal Auditing & Assurance Standards Board
in association with
Professional Development & CPE Committee, ICAI

The IAASB, in association with the PD Committee, conducted a seminar on **"Professional Avenues for CMAs and Internal Audit in the Area of Artificial Intelligence"** on 7th June at JN Bose Auditorium, Kolkata. Council Member CMA M K Anand and eminent speakers CMA R. Veerabahu, CMA Kallol Mitra, CMA Ravi Kr. Gupta and Shri Aninda Ghosh shared valuable insights on the emerging role of CMAs and internal audit in the evolving AI-driven landscape.



**Glimpses of “Workshop on Environmental Costing”
held on 17th June 2025 at India Habitat Centre Lodhi Road, New Delhi**



The Professional Development & Continuous Professional Education Committee of the Institute supported by the Task Force on the Convergence of Cost Accounting and Carbon Accounting organized a workshop on ‘Environmental Costing’ on June 17, 2025, at The India Habitat Centre, Lodhi Road, New Delhi graced by the Guest of Honor, Ms. Nirupma Kumar, Chief Administrative Officer (Accounting Reforms) at Northern Railway, who emphasized the critical need to quantify the impact of carbon emissions and the government's commitment to achieving net-zero emissions in the coming years. A Guidance Note on Environmental Costing was released which is available on the Institute's website. The sessions were appreciated by the participants from various PSUs and members.

Report on Chapters & CAT ROCCs Meet held on 13th June, 2025 at Thrissur (Kerala)

The Committee for Accounting Technicians (CAT), under the Chairmanship of CMA Rajendra Singh Bhati, Council Member and Chairman – CAT, ICMAI, successfully organized a Chapters & CAT ROCCs Meet on 13th June 2025 at the Thrissur Chapter of Cost Accountants, Kerala. This regional meeting was convened for the Chapters of the Institute and Recognised Oral Coaching Centres (ROCCs) under the jurisdiction of the Southern India Regional Council (SIRC) of ICMAI. The objective was to further strengthen the CAT Course, foster enhanced collaboration, and deliberate on both academic and administrative aspects of the programme.

The meet witnessed enthusiastic participation from Chairmen, Secretaries, and Managing Committee Members of various Chapters, along with authorized representatives from ROCCs. The session began with a warm welcome by CMA

Sripriya K., Chairperson of the Thrissur Chapter.

CMA Rajendra Singh Bhati delivered the inaugural address, highlighting the importance of curriculum revision, improved student engagement, and coordinated efforts among all stakeholders. He also shared updates on the activities of the CAT Directorate, particularly focusing on the CAT Course for DGR (Ministry of Defence)-sponsored candidates. He outlined the key objectives of the meeting and set the tone for the discussions.

The members of the Committee for Accounting Technicians also addressed the gathering and shared their insights on the CAT Course viz., CMA Harshad Shamkant Deshpande, Council Member, ICMAI; CMA Chittaranjan Chattopadhyay, Council Member, ICMAI; CMA K Ch A V S N Murthy, Council Member, ICMAI; CMA Himanshu Agarwal, Co-opted Member (CAT); CMA Saurabh Singh Raghav, Co-opted Member (CAT); CMA Y

Srinivasa Rao, Vice-Chairman, SIRC of ICAI.

An open house session was held, encouraging participants to freely share their experiences, raise challenges, and offer constructive suggestions. The discussions touched upon several core issues, including syllabus revisions, teaching standards, examination procedures, fee-sharing mechanisms, and the provision of student support services. Participants also discussed matters related to admissions, timely distribution of study materials, and day-to-day administrative concerns.

There was broad consensus on the need to update the CAT syllabus to align with current industry requirements and evolving academic standards. The participants emphasized the importance of strengthening communication channels between Chapters and ROCCs and expressed

their appreciation to the CAT Committee for initiating this interactive forum. Several attendees recommended organizing such meetings regularly to ensure continued dialogue and improvement.

The meeting concluded with a vote of thanks by CMA R.K. Jain, Joint Director and HoD (CAT), ICAI. He expressed gratitude to all attendees for their active participation and to the host Chapter for their excellent hospitality and arrangements. He assured that the feedback received would be compiled and placed before the CAT Committee for consideration and future decision-making.

Overall, the Chapters & CAT ROCCs Meet served as a meaningful platform for knowledge sharing, collaborative problem-solving and strategic planning, contributing to the continuous development and success of the CAT Course.



Direct & Indirect Tax Updates - June 2025

DIRECT TAXES

- **Notification No. 54/2025 Dated 3rd June 2025:**
In pursuance of sub-clause (ii) of clause (a) of sub-section (1) of section 138 of the Income-tax Act, 1961, the Central Government hereby specifies 'Secretary to the Government of Maharashtra, Women and Child Development' for the purposes of the said clause in connection with sharing of information regarding Income-tax payers' for identifying eligible beneficiaries under the Mukhyamantri Mazi Ladki Bahin Yojana.
- **Notification No. 55/2025 Dated 10th June 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 "Greater Noida Industrial Development Authority" (PAN: AAALG0129L) (hereinafter referred to as "the assessee"), an authority constituted under the U.P. Industrial Area Development Act, 1976 (U.P. Act No.6 of 1976), 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 U.P. Industrial Area Development Act, 1976 (U.P. Act No.6 of 1976) with one or more of the purposes specified in sub-clause (a) of clause (46A) of section 10 of the Income-tax Act.
- **Notification No. 56/2025 Dated 12th June 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 Income-tax 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 - Zero Coupon Bond of The National Bank for Agriculture and Rural Development (NABARD) (b) period of life of the bond - Ten years eleven months thirteen days (c) the time schedule of the issue - To be issued on or before the 31st day of March 2027 of the bond (d) the amount to be paid on maturity - Rs.19,500 crores or redemption of the bond (e) the discount - Rs. 10,349.625 crores (f) the number of bonds to be issued - 19.50 lakhs.
- **Notification No. 57/2025 Dated 16th June 2025:**

In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Haryana Real Estate Regulatory Authority, Gurugram' (PAN: AAAGH0586F), an Authority constituted under sub-section (1) of Section 20 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) by the State Government of Haryana, in respect of the following specified income arising to that Authority, namely: (a) Amount received as Grant-in-aid or loan/advance from Government (b) Fee/penalty received from builders/developers, agents or any other stakeholders as per the provisions of the Real Estate (Regulation and Development) Act, 2016; and (c) Interest earned on (a) and (b) above. This notification shall be effective subject to the conditions that the Haryana Real Estate Regulatory Authority, Gurugram (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. 58/2025 Dated 16th June 2025:**
In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Treasurer Charitable Endowments, Haryana' (PAN: AAALT1027E), an authority constituted by the Government of Haryana, in respect of the following specified income arising to that body, namely: (a) Grants received from Central Government or State Government of Haryana for National Workers Relief Fund only (b) Interest on bank deposits. This notification shall be effective subject to the conditions that 'Treasurer Charitable Endowments, Haryana' (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. 59/2025 Dated 16th June 2025:**
In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961

(43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Himachal Pradesh Board of School Education', Dharamshala (PAN: AAAJH0373H), a Board established under Himachal Pradesh Board of School Education Act, 1968, in respect of the following specified income arising to that Board, namely: a) Grants/advances/receipts received from State Government of Himachal Pradesh b) Fees/charges (by whatever name called) levied/received as per Himachal Pradesh Board of School Education Act, 1968 c) Receipt/income from sale of books and other educational material d) Interest on bank deposits. This notification shall be effective subject to the conditions that 'Himachal Pradesh Board of School Education', Dharamshala (a) shall not engage in any commercial activity (b) activities and the nature of the specified income shall remain unchanged throughout the financial year; 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. 60/2025 Dated 16th June 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 "Karnataka Electricity Regulatory Commission", Bengaluru (PAN: AAAGK0112L) (hereinafter referred to as "the assessee"), a commission constituted under "The Electricity Act, 2003" (No. 36 of 2003), for the purposes of the said clause. This notification shall be effective from the assessment year 2025-26, subject to the condition that the assessee continues to be a commission constituted under „The Electricity Act, 2003" (No.36 of 2003) with one or more of the purposes specified in sub-clause (a) of clause (46A) of section 10 of the Income-tax Act.
- **Notification No. 61/2025 Dated 17th June 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 "Puducherry Planning Authority" (PAN: AAAAP3523E) (hereinafter referred to as "the assessee"), an authority constituted under the Pondicherry Town and Country Planning Act, 1969 (Act No.13 of 1970) 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 Pondicherry Town and Country Planning Act, 1969 (Act No.13 of 1970) with one or more of the purposes specified in sub-clause (a) of clause (46A) of section 10 of the Income-tax Act.

- **Notification No. 62/2025 Dated 18th June 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 "Dental Council of India" (PAN: AAAJD0821E) (hereinafter referred to as "the assessee"), a body constituted under 'The Dentists Act, 1948' (No. 16 of 1948), for the purposes of the said clause. This notification shall be effective from the assessment year 2024-2025, subject to the condition that the assessee continues to be a body constituted under 'The Dentists Act, 1948' (No.16 of 1948) with one or more of the purposes specified in sub-clause (a) of clause (46A) of section 10 of the Income-tax Act.
- **Notification No. 63/2025 Dated 18th June 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 "Yamuna Expressway Industrial Development Authority" (PAN: AAALT0341D) (hereinafter referred to as "the assessee"), an authority constituted under the Uttar Pradesh Industrial Area Development Act, (No. 6 of 1976) for the purposes of the said clause. This notification shall be effective from the assessment year 2024-2025, subject to the condition that the assessee continues to be an authority constituted under the Uttar Pradesh Industrial Area Development Act, (No.6 of 1976) with one or more of the purposes specified in sub-clause (a) of clause (46A) of section 10 of the Income-tax Act.
- **Notification No. 65/2025 Dated 19th June 2025:** In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Kerala Toddy Workers' Welfare Fund Board' (PAN: AACFK9819K), a Board established under the Kerala Toddy Workers' Welfare Fund Act, 1969 (Kerala Act No. 22 of 1969), in respect

of the following specified income arising to the said Board, namely: (a) all sums received under Kerala Toddy Workers' Welfare Fund Act, 1969 (Kerala Act No. 22 of 1969) (b) contribution from the members as defined in clause (b) of section 2 of the Kerala Toddy Workers' Welfare Fund Act, 1969 (Kerala Act No. 22 of 1969) (c) interest earned on bank deposits. This notification shall be effective subject to the conditions that 'Kerala Toddy Workers' Welfare Fund 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. 66/2025 Dated 19th June 2025:** In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Forum of Regulators' (PAN: AAAJF0126G), an authority constituted by Govt. of India, Ministry of Power, in exercise of the powers conferred by sub-section (2) of section 166 of the Electricity Act, 2003 (No. 36 of 2003) in respect of the following specified income arising to that authority, namely : (a) Grants received from the Government (b) Membership fees received from Central and State Electricity Regulatory Commissions and (c) Interest earned on bank deposits. This notification shall be effective subject to the conditions that the Forum of Regulators: (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. 67/2025 Dated 20th June 2025:** In exercise of the powers conferred by sub-section (1F) of section 197A read with subsections (1A) and (2) of section 80LA of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred as the Incometax Act), the Central Government hereby notifies that no deduction of tax shall be made under the provisions of the Income-tax Act as specified in column (4) of the Table, in respect of the payments as specified in column (3) of the said Table, made by any "payer" to a person, being a Unit in an International Financial Services Centre (hereinafter referred as "payee") as specified in column (2) of the said Table.

- **Notification No. 68/2025 Dated 24th June 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 "Food Safety and Standards Authority of India" (PAN: AAAGF0023K) (hereinafter referred to as "the assessee"), an authority constituted under the Food Safety and Standards Act, 2006 (34 of 2006), for the purposes of the said clause. This notification shall be effective from the assessment year 2026-2027, subject to the condition that the assessee continues to be an authority constituted under the Food Safety and Standards Act, 2006 (34 of 2006) with one or more of the purposes specified in sub-clause (a) of clause (46A) of section 10 of the Income-tax Act.
- **Notification No. 69/2025 Dated 25th June 2025:** Whereas, a Protocol amending the Agreement between the Republic of India and the Sultanate of Oman for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, was signed at Muscat on the 27th day of January, 2025, as set out in the Annexure to this notification (hereinafter referred to as the Protocol); And whereas, the said Protocol entered into force on the 28th day of May, 2025, being the date of receipt of the later of the notifications of the completion of the procedures required by the respective laws of the Contracting States for entry into force of the said Protocol, in accordance with paragraph 2 of Article 15 of the said Protocol; And whereas, sub-paragraph (a) of paragraph 3 of Article 15 of the said Protocol provides that the provisions of the Agreement shall thereupon have effect in India in respect of income derived in any fiscal year beginning on or after the first day of April following the date on which the Protocol enters into force. Now, therefore, in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that all the provisions of said Agreement and Protocol, as annexed hereto, shall be given effect to in the Union of India.
- **Circular No. 07/2025 Dated 25th June 2025:** Relaxation of time limit for processing of valid returns of income filed electronically pursuant to order u/s 119(2)(b) of the Income-tax Act, 1961 passed by Competent Authority. The Board has decided to relax the time-frame prescribed in second proviso to sub-section (1) of section

143 of the Act in exercise of its powers under section 119 of the Act, and directs that valid returns of income filed electronically on or before 31.03.2024 pursuant to condonation of delay u/s 119(2)(b) of the Act by the competent authority, for which date of sending intimation under sub-section (1) of section 143 of the Act has lapsed, shall be processed now. Accordingly, intimation under sub-section (1) of section 143 of the Act in respect of processing of such ITRs shall be sent to the assessee concerned by 31.03.2026.

INDIRECT TAXES

GST

- **Circular No. 249/06/2025-GST Dated 9th June 2025:** Generation and quoting of Document Identification Number (DIN) on any communication issued by the officers of the Central Board of Indirect Taxes and Customs (CBIC) to tax payers and other concerned persons. Section 169(1)(d) of the CGST Act, 2017, which provides that any decision, order, summons, notice or other communication shall be served by making it available on the common portal. Further vide Instruction No. 4/2023-GST dated 23.11.2023, CBIC emphasized on strict compliance of rule 142 of CGST Rules and directed to ensure that summary of Show Cause Notices in Form GST DRC-01 and summary of the Order-in-Original in Form GST DRC-07 should be served electronically / uploaded electronically on the common portal. Quoting DIN on such communications generated through the common portal of GST, which already bear RFN, results into two different electronically generated verifiable unique numbers namely RFN & DIN on the same communication, which renders quoting of DIN on such communication unnecessary. Therefore it is clarified that for communications via common portal (incompliance with Section 169 of the CGST Act, 2017) having verifiable Reference Number (RFN), quoting of Document Identification Number (DIN) is not required and such communication bearing RFN is to be treated as a valid communication.
- **Circular No. 250/06/2025-GST Dated 27th June 2025:** Reviewing authority, Revisional Authority and Appellate Authority in respect of orders passed by Common Adjudicating Authority (CAA) for show cause notices issued by DGGI. To ensure uniformity in procedure for review, revision, and

appeal against the Orders-in-Original (O-I-Os) adjudicated by Common Adjudicating Authorities, it is hereby clarified that: 1. The Principal Commissioner or Commissioner of Central Tax under whom the Common Adjudicating Authority (Additional/ Joint Commissioner) is posted shall be the reviewing authority in respect of such O-I-Os. 2. The Principal Commissioner or Commissioner of Central Tax under whom the Common Adjudicating Authority (Additional/ Joint Commissioner) is posted shall be the revisional authority in respect of such O-I-Os. 3. Appeal Procedure under Section 107 of the CGST Act, 2017. 4. The Principal Commissioner or Commissioner of Central Tax of such Commissionerate under whom the Common Adjudicating Authority (Additional/ Joint Commissioner) is posted shall represent the department in appeal proceedings against the O-I-Os passed by such Common Adjudicating Authority (Additional/ Joint Commissioner) and accordingly may appoint any officer subordinate to him to be the designated officer for filing departmental appeals.

CUSTOMS

- **Notification No.32/2025-Customs Dated 30th June 2025:** In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 130/2010-Customs, dated the 23rd December, 2010, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.1008(E), dated the 23rd December, 2010. In the said notification, in the TABLE, after S.No. 47 and entries relating thereto, the following serial number and entries shall be inserted.

48	Canada	Air Canada
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- **Circular No. 17/2025 Customs Dated 19th June 2025:** Use of ICETABs for efficient export examination and clearance.

Sources:

incometax.gov.in, cbic.gov.in

THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

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

August 2025	Theme	IFSC: Emerging as a dominant Gateway for India's Financial Sector	Subtopics	<ul style="list-style-type: none"> 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)
September 2025	Theme	AI – The Genesis of the Virtual World of Business	Subtopics	<ul style="list-style-type: none"> 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
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November 2025	Theme	Sustainable Finance: Steering India Towards a Greener Future	Subtopics	<ul style="list-style-type: none"> Sustainability Mission: Unleashing A Journey towards Green Finance Emergence of Climate Policy envisaging Greener Future Vikshit Bharat initiatives for funding climate related Companies India's Green Bond Market India's EV financing landscape to align India's climate priorities Sustainable Finance & Investor Awareness Union Budget 2024-25 decoding Sustainable path to combat impact of climate change India's Journey towards Net Zero by 2070

The above subtopics are only suggestive and hence the articles may not be limited to them only.

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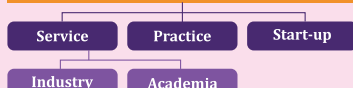
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