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CMAs' INDUSTRY BULLETIN

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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CLIMATE CHANGE – GREENHOUSE

CMA (Dr.) P. V. S. Jagan Mohan Rao
Immediate Past President and
Advisor - South Asian Federation of Accountants (SAFA)

Climate Change is the most important and crucial subject for all of us on the earth today. We are so much concerned about because it is affecting all of us and everything on the globe. Not one county not one geographical area. But the whole earth. This is a serious concern which needs immediate attention. The Climate Change is visible and felt. How much ever we read or how much ever we write or how much ever we understand about climate change these things do not really matter much unless all of us collectively and individually address it. What is needed is action. We need to do, rather do something real to solve it. As Swami Vivekananda said, *"One ounce of practice is worth twenty thousand tons of big talk"*. Many people are not aware of many things and issues associated with the climate change. There comes the necessity of reaching out to people about the climate change and its consequent effects on all of us. This article may serve the purpose to some extent in that regard. To understand climate change we need to go through many issues. One important thing among them is 'emissions'. Greenhouse gas emissions. Say carbon emissions!

Now what are these greenhouses gases? Whether we call them as gases or emissions, what are these? If we call them as emissions and carbon emissions, then what are these carbon emissions!

Then we need to understand at basic level. Which activities produce carbon emissions! We need to understand on also how to reduce carbon emissions!

Global warming is the earth becoming warm. We cannot live on the earth if there is no heat. The earth must be warm. Up to what extent it should be! It should be to that extent that, the heat present on the earth, makes the earth as a comfortable a habitat, for all that live on the earth.

The heat comes from the Sun. All that heat or radiation that comes from the Sun does not remain on the surface of the earth. The heat escapes into the atmosphere. If all the heat stays and settles on the earth it is difficult for life. So, there is a natural process. That process ensures some of the heat is retained in the atmosphere. There is a layer called green house. This greenhouse layer consists of or made of the greenhouse gases. These gases today include both natural and not so natural. Natural greenhouse gases include water vapour, gases like carbon dioxide, methane, and other gases. These gases are natural and are the result of natural activities on the earth. Natural changes on the earth and the natural changes in the atmosphere form these gases. They get together in the atmosphere and take a form of a layer. That layer called 'Greenhouse'. They are retained there making the green house as a blanket. This blanket or the green house captures and retains the said natural greenhouse gases and continues and remains as such as a blanket. As we noted, the heat or radiation which comes from the Sun on to the earth escapes into the atmosphere. This greenhouse traps some of the heat or radiation which gets escaped into the atmosphere. From that greenhouse, that is the heat that has been trapped and retained by the greenhouse, the earth gets back the heat. Including in the night, as Sun's heat is not there at that point of time in the night. So, in the absence of Sun's heat also the greenhouse effect keeps the earth warm enough for comfortable living on the earth. *Now this greenhouse has become vulnerable.* Why it has become vulnerable? Because now the amount of gases that are arriving at the greenhouse are not the naturally formed greenhouse gases alone. Some additional amount of gases which are not from the natural sources are also reaching and settling at the Greenhouse. These additional gases are from human activities. *We may even say, by over doing of human activities.* Anything done which is not in direct synchronisation with the nature is called as unnatural. These extra or additional or unnatural gasses or emission are causing issues and problems. Therefore, the sum-total of these two natural emissions and unnatural emissions so created together are adding up to overwarming by making the greenhouse thicker. The concern now is more about the emissions so caused by the human activities which are creating these additional emissions.

So, the total amount of emissions that are trapped at the green house is increasing continuously. All these emissions are changing the natural formation of the greenhouse. So, the green house or blanket as we said, is becoming thick. As more emissions, say carbon emissions are trapped by the greenhouse, it has become thick. As it becomes more and more thicker, more is the accumulation of emissions and more is the heat stored. The changed and thicker greenhouse emits more radiation down to the earth causing the earth warmer and more warmer.

Then what are these human activities that are creating these emissions. One of the main things among many to include, we may say burning of fossil fuels. Fuel are used in several activities. This is an important aspect that causes emissions. We use fuels in transportation. Usage in heavy vehicles, own vehicles usage, generators so on and so forth. Industrial gas emissions add. Deforestation and exploitation of nature for one reason or the other or one purpose or the other adds to the cause. Nature is exploited in one way or the other. This is continuing unabated. So, global warming is increasing day by day.

Carbon emissions come from almost every person directly or indirectly. We are using many things that are not natural. They may be manmade, or machine made. Many of these things would have caused some kind or the other of the emissions. Emissions caused by each one of us on the earth contribute to the total emissions that go into the green house. This adds the greenhouse becoming thicker. Thus, causing the earth warmer. So, this is called as greenhouse effect. This greenhouse effect is causing 'Global Warming'. Everyone on the earth needs to do something. We, as individuals and professional accountants, should do our bit to address this issue. Ultimately it is an individual, collective, and concerted effort which will help reduce creation of emissions that effect the greenhouse and reduce global warming. Only then we can mitigate the effects of Climate Change.

The author may be reached at
pvsjmr@yahoo.co.in

MORE TROUBLE OR A SIGH OF RELIEF FOR SMALL AND MEDIUM SIZED BUSINESSES OWING TO SUSPENSION OF MAJOR SECTIONS OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016?

Dr. (h.c) Advocate Mamta Binani
Past President ICSI – 2016
Insolvency Professional

The news of world economy being hit badly is already doing rounds owing to the pandemic caused by the novel corona virus. In the midst of this, it looks like this is just the trailer of a horrifying film which seems to be yet unfolding itself, waiting to be premiered. A law that had come into existence in the year December, 2016 with the name Insolvency and Bankruptcy Code, 2016 ('Code') - is a law providing a chance to the creditors to see whether it can push the ailing company to take out time for itself and go on a ventilator and give a chance of reviving itself, so that it could come back on its feet and gradually become capable in meeting its obligations and be useful to the economy and come on track and start creating wealth.

The Government envisaging to provide these benefits to the public at large had kept the threshold limit of default to Rs.1,00,000 meaning that if a debtor defaults in repayment of Rs. 1,00,000or more, the creditors had the option to approach the Hon'ble National Company Law Tribunal (NCLT) against such debtor company. Owing to this threshold, as per the year end review by the Ministry of Corporate Affairs- 2019[1],till about middle of April 2020, a total of 21,136 cases had been filed all over India against the debtor companies out of which 9,653 cases were disposed off at the pre-

[1] https://www.ibbi.gov.in/uploads/whatsnew/0610123bdd4ffc191a-3ea05a847e1307.pdf

admission stages itself, i.e., an incidental beneficial feature of the Code enabling settlement between the parties.

It is clearly evident that the creditors were able to get the settlement done and receive their outstanding debts, which is also one kind of resolution. These creditors sometimes also included banks, financial institutions, operational creditors, sole proprietors, home buyers, etc. However, during lockdown, the respected Finance Minister of India on 24th March, 2020 announced the increase in the threshold limit for the filing of any application against debtors from Rs.1 lakh to Rs.1 Crore. In the same press conference, it was also announced that if the situation due to this pandemic spills over to the month of April, the Government may suspend few sections of the Code which shall include Section 7, 9 and 10.

Now that the lockdown stands extended much beyond April, it was inevitable that the said suspension had to happen. However, it is imperative to note that raising the threshold limits from Rs.1 lakh to Rs.1 crore is already troubling a lot many creditors as for small businesses where if an amount aggregating to Rs.10-20 lakhs is stuck with a company and the said company fails to repay the same, the said small businesses is now finding itself in a helpless situation. No doubt, the laws of our country provides options to creditors to approach various authorities towards receiving the amount, which is surely their own money leave alone being a national wealth which adds to the national health, however, the beauty of the Code and as admired worldwide is its timelines. The timeline of the Code being so strict that it enabled the creditor to either get its money back or push the company for resolution i.e., the existing board of directors loosingits powers as the director and an insolvency professional getting appointed to take over the reins of the Company by trying to have a new person who can be in a position to run the company as a going concern failing which the company is mandatorily pushed towards liquidation. Therefore, majority of the creditors opted to proceed before the NCLT against such debtors.

By an Ordinance dated 05.06.2020 nomenclated as 'The Insolvency And Bankruptcy Code (Amendment) Ordinance, 2020 (No.9 of 2020), the Government of India has now temporarily suspended the triggering sections of the Code, viz., Sections 7, 9 and 10 of the Code. The said suspension has been brought in by way of insertion of section 10A in the Insolvency & Bankruptcy Code, 2016, with immediate effect. Section 7 of the Code pertains to an application by a financial creditor i.e., bankers, financial institutions, etc. against a debtor; section 9 pertains to an application by operational creditors i.e., someone who provides goods and/or services to the debtors, and section 10 pertains to the debtor company itself which comes forth and informs the Adjudicating Authority by way of an application that the said debtor company will not be able to repay its debt; the major reason in maximum of the cases is ofcourse the mismatch of cash flows.

The said suspension implies that no new application can be filed against a Corporate Person for a period of 6 months or such further period, not exceeding one year from such date, for any default arising on or after 25th March, 2020 and accordingly no Corporate Person with such default arising on or after 25.03.2020, can be taken into insolvency for a period of 6 months from that date to begin with, which may extend to one year. In fact, proviso to section 10A creates a taboo for an initiator by mentioning that it can never file a case under section 7, 9 and even 10 for such defaults which occur on or after 25.03.2020, for 6 months to start with, which may extend to 1 year, if extended by the Government of India. And in our opinion, it will be prudent to add here that for default occurring in the period beyond the operative period of section 10A, IBC can be triggered for the said corporate persons.

The Ordinance by way of an explanation has also clarified in order to remove doubts, that the provisions of section 10A shall not apply to any default committed under the said sections (i.e. sections 7,9 or 10) before 25.03.2020. This only means that for defaults that happened/occurred prior to 25.03.2020, i.e. on or before 24.03.2020 and if the default is for Rs.1.00 crores or more, cases can be still filed under any of the 3 sections of the Insolvency & Bankruptcy Code, 2016, with the Hon'ble NCLT.

The ordinance also provides that when the CIRP/ Liquidation process of a Corporate Person is initiated after section 10A of IBC is not in force, then during the course of the said process, if the IP comes across any transaction for the period during which section 10A was operative, entered by a Corporate Person on account of the unprecedented situation caused by COVID-19 pandemic, then for such transaction, even if the same gets qualified within the meaning of section 66 of the IBC, no application can be filed by the IP under section 66(2). In other words, in our opinion, if there is any wrongful or fraudulent trading during the period when Section 10A is operative, which is intentional, application under Sec 66(2) will be required to be filed by the IP.

However, it is being understood that the companies in which the insolvency process has already begun shall continue its process.There cannot be even an iota of doubt on the motive behind this pious move, that it was indeed necessary to take such a bold step, taking into consideration the economic mess that this pandemic has caused. The loud whispers has also been that somewhere it raises a sense of discrimination being panned out by the big divider role of 25.03.2020, so much so that a default occurring on 24.03.2020 doesnot get insulated but that occurring on 25.03.2020 gets totally insulated.

Nevertheless, it is not only India that has suspended the aforesaid sections of the Code or has bought amendments in the provisions of its bankruptcy law. Many countries in the world has opted for such suspension of the insolvency laws in their respective countries.

In the United States, the Chapter 11 that briefs the bankruptcy law in the USA has been amended to take into its ambit the debt size of USD 7.5 million. Chapter 11 provides certain reliefs to the companies that files its case through Chapter 11 and the companies having debt of USD 2.7 million in debts could file a Chapter 11, however, the said threshold has been increased to USD 7.5 million. Hence, providing support to number of companies which have been or are likely to be impacted due to the pandemic.

However, Australia have chosen to increase the eligible debts for receipt of bankruptcy notices by individuals from $5000 to $ 20,000. Further, such individuals will also get time for 6 months to comply with the same. Also, the personal liability of the directors of the company debts have been suspended. While, in Germany, the government has suspended the obligation for filing for insolvency till 30th September, 2020. Alongwith, providing protection to the management of the insolvent companies from personal liability in connection with payments affected during the pandemic.

The Government was contemplating to bring out some special scheme under section 240A which might be in a queue, it seems.

It can be very rightly assumed, that the steps taken by India of suspending certain provisions of the Insolvency Code is an approach towards safeguarding the economy of the Country. That the whole world is suffering due to the effect this pandemic has caused. Every country in one way or the other trying to focus on their internal managements and ruminating to allow lesser impact on their economy. In an attempt towards the same, the governments have come forward with these necessary steps to suspend insolvency proceedings so that the companies can be safeguarded from being impacted.

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The author may be reached at
mamtabinani@gmail.com

INNOVATIONS IN FINANCE

CMA (Dr.) Girish Jakhotiya
Ex - Professor
Jamnalal Bajaj Institute of Management Studies &
Chief Consultant
Jakhotiya & Associates, Mumbai

As businesses got more and more globalized, the processes of financial measurement too became complicated. Globalization, along with its uncertainties, also offered complex opportunities, which are difficult to be assessed financially. World over common investors are finding it difficult to interpret their investment options correctly as there are too many financial variables impacting their "investment decisions". Governments too are finding it tough to evaluate the impact of various tax algorithms on their revenue and especially on the savings of common people. Technological advancements have created many intangible assets which cannot be valued accurately and hence business valuations also have become a subject matter of critical judgement.

To a large extent, these financial complications can be moderately simplified with a pragmatic application of "innovation". This new subject area in which I have been researching and consulting can be appropriately called "Innovative Finance" or "Financial Innovations". In this very concise article, I can bring to your notice, ten such innovations which may enrich our understanding of financial engineering. The first and most important area is "behavioural finance", which can be better handled with the application of "artificial intelligence". Market reaction to the financial performance of a business enterprise and its corresponding impact on "stock valuation" can be intelligently analysed with a few smart algorithms developed in the area of behavioural finance. The same application can be differently applied to track the response of an enterprise to market uncertainties influencing its financial deliverables during its life cycle.

The second important area of "innovative finance" should tackle the complexity in financial measurement of the outcome of a business strategy at an operational level. Veryoften such measurement is either avoided or done sub-optimally for want of appropriate financial tools connecting the strategy framed by the top management to the deliverables expected from the robotic employees at the bottom of the pyramid. The third area of innovative finance is conceptually close to the second area, in terms of correlation between the abstract facts and their financial interpretation. In most of the factories or at the project sites, a lot of technological improvisation is constantly attempted without an exact computation of its impact on "cost management". This becomes a further dilemma when employees ask higher wages for increase in collective productivity of the plant as a result of technological advancement. A good amount of techno - commercial innovation is required here to sharply measure the recurring cost advantage and separate the labour productivity from the machine productivity.

Valuation of the intangible assets, especially the patents and copyrights, is a challenge for all the valuers, as a lot of subjectivity is involved in predicting and measuring the explicit earning power of such intangible assets. It is furthermore difficult in case of a "brand" as its earning power depends on a lot of market uncertainty. The further difficulty here is differentiating between a brand and the brand - boosters. This fourth area of innovative compulsion demands an extraordinary creative thinking by the finance professionals, supported by their marketing & technology colleagues.

The fifth area of financial engineering is very close to my heart as it relates to nurturing an entrepreneurial culture across the organization. Head of a cost centre can perhaps practice entrepreneurship if we convert his responsibility centre into a "profit centre", atleast notionally. Finance professionals together with the operational heads and human resource managers will have to conduct this process of transforming a cost centre into a profit centre and further into an investment centre. Profit is supposed to be the prime reward for an entrepreneur. Therefore, converting a cost centre like "repairs & maintenance department" into a profit centre would certainly make this function "entrepreneurial" and expose it to market benchmarking. The foremost advantage of this transformation is empowerment of employees to earn a certain ROI from their functional business. Ofcourse, a lot of innovation can be applied in designing different types of ROI for different purposes. These can be Process ROI, Product ROI, Territory ROI, Brand ROI etc.

"Structured Finance" is a big area of innovation as it relates to multiple aspects of a project to be financed. Various permutations and combinations of the variables impacting a project could be innovatively woven together to design the best structure of financing. A reference can be made here to "Islamic Financing" which is quite entrepreneurial in nature. Another innovative relationship can be established between structured finance and enterprise valuation. This correlation can be converted into a path - breaking strategy for a business organization. 'Structured Finance' requires a heavy dose of innovation if it is to resolve the conflicting interests of too many stakeholders. This sixth area of financial innovation requires an intense knowledge of multiple functional areas, so that its application can be aimed at achieving an optimum synergy.

The seventh area is highly abstract as it deals with the correlation between organizational effectiveness and financial performance. It can be intellectually very interesting to establish a clear relationship between organizational ethos and financial results. Here comes the dilemma of choosing between systemic sanctity of a very high order and maximum possible transactional freedom to enhance the wealth of a business enterprise. If we attempt to correlate other components of organizational effectiveness with financial performance, it would require a massive algorithm to factor in all the dependent & independent variables.

Globalization created many temptations for the multinational companies to manipulate their tax structures for taking utmost advantage of their complex value - chains spread over multiple countries. Therefore, their respective governments too are confused while defining the exact fiscal approach to discipline these global sharks. The tax - bureaucrats and their political masters need to think and act innovatively, so as to bring justice to both, the government and the multinational enterprises. Ofcourse, there is another dimension to this innovative exercise, that is of the WTO - led regulations which have become quite complicated with the passage of time and growing sense of nationalism worldover. This ninth area of innovation obviously proves the inevitable correlation between macroeconomics of a nation and micro financial management of a business enterprise.

At the end of this precise article, I must narrate the tenth area of financial innovation that should take care of the finances of a common man. Worldover, during the last two decades, this common man was neglected to benefit the mighty crony capitalists. This negligence towards a common man has put the world economy on the verge of a possible collapse. Without the participation of the common people in economic activism, no country can progress sustainably. For such participation, we need to design and offer suitable "investment products" to the common people which are not exposed to any unmanageable risk. Capital formation depends a lot on the participation of small investors in the stock and bond markets. Unfortunately for want of basic innovation, almost all the capital markets worldwide have not bothered for these small investors who actually are the backbone of the global economy.

And now while concluding, a small note of caution - Financial innovation shouldn't lead us to the "dirty buckets" i.e. the unexplainable derivatives. Quite a few well - set economies and financial institutions were shaken up by these derivatives which were mere "bundles of greed". We need constructive innovation that creates financial prosperity based on the sustainable principles of equity, reasonability and inclusivity!

The author may be reached at
girishjakhotiya@gmail.com

Industry Focus - Renewable Energy Industries in India

Introduction

The Indian renewable energy sector is the fourth most attractive renewable energy market in the world. India is ranked fourth in wind power, fifth in solar power and fifth in renewable power installed capacity as of 2018. According to 2018 Climate scope report India ranked second among the emerging economies to lead to transition to clean energy.

Installed renewable power generation capacity has increased at a fast pace over the past few years, posting a CAGR of 17.28 per cent between FY14–19. With the increased support of government and improved economics, the sector has become attractive from investors perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, renewable energy is set to play an important role. As a part of its Paris Agreement commitments, the Government of India has set an ambitious target of achieving 175 GW of renewable energy capacity by 2022. These include 100 GW of solar capacity addition and 60 GW of wind power capacity. Government plans to establish renewable energy capacity of 500 GW by 2030.

Market size

As of February 2020, the installed renewable energy capacity is 86.75 GW, of which solar and wind comprises 34.40 GW and 37.66 GW respectively. Biomass and small hydro power constitute 9.80 GW and 4.6 GW, respectively. Off-grid renewable power capacity has also increased. As of February 2020, generation capacities for Waste to Energy, Biomass Gasifiers stood at 139.80 MW and 9,806.31 MW, respectively.

With a potential capacity of 363 gigawatts (GW) and with policies focused on the renewable energy sector, Northern India is expected to become the hub for renewable energy in India.

Investments / Developments

According to data released by the Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflows in the Indian non-conventional energy sector between April 2000 and December 2019 stood at US$ 9.1 billion. More than US$ 42 billion has been invested in India's renewable energy sector since 2014. New investments in clean energy in the country reached US$ 11.1 billion in 2018.

Some major investments and developments in the Indian renewable energy sector are as follows:

- Around Rs 36,729.49 crore (US$ 5.26 billion) investment has been made during April-December 2019 by private companies in renewable energy.
- Brookfield to invest US$ 800 million in ReNew Power.
- ReNew Power and Shapoorji Pallonji will invest nearly Rs 750 crore (US$ 0.11 billion) in a 150 megawatt (mw) floating solar power project in Uttar Pradesh.
- In November 2019, Renew Power, Avaada, UPC, Tata unit won solar projects in 1,200 MW auction of the Solar Energy Corp of India.
- As of 2019, India is getting its solar power plant Bhadla Solar Park in Rajasthan, which will be world's largest solar plant, with a capacity of 2,255 MW.
- In the first half of 2018, India installed 1 MW of solar capacity every hour.
- With 28 deals, clean energy made up 27 per cent of US$ 4.4 billion merger and acquisition (M&A) deals which took place in India's power sector in 2017.
- World's largest solar park named 'Shakti Sthala' was launched in Karnataka in March 2018 with an investment of Rs 16,500 crore (US$ 2.55 billion).
- Solar sector in India received investments of US$ 9.8 billion in CY2018.
- Private Equity (PE) investments in India's wind and solar power have increased by 47 per cent in 2017 (January 1 to September 25) to US$ 920 million, across nine deals, as compared to US$ 630 million coming from 10 deals during the corresponding period in 2016.
- As of March 2019, Eversource Capital, a Joint venture of Everstone and Lightsource plans to invest US$ 1 billion in renewable energy in India through its Green Growth Equity Fund.
- The international equity investment in the India's clean energy sector was US$ 283 million in 2016, US$ 532 million in 2017 and US$ 1.02 billion in 2018.

Government Initiatives

Some initiatives by the Government of India to boost the Indian renewable energy sector are as follows:

- India plans to add 30 GW of renewable energy capacity along a desert on its western border such as Gujarat and Rajasthan.

- Delhi government decided to shut down thermal power plant in Rajghat and develop it into 5,000 KW solar park
- Rajasthan government in Budget 2019-20 exempted solar energy from electricity duty and focuses on the utilization of solar power in its agriculture and public health sectors.
- A new Hydropower policy for 2018-28 has been drafted for the growth of hydro projects in the country.
- The Government of India has announced plans to implement a US$ 238 million National Mission on advanced ultra-supercritical technologies for cleaner coal utilisation.
- The Ministry of New and Renewable Energy (MNRE) has decided to provide custom and excise duty benefits to the solar rooftop sector, which in turn will lower the cost of setting up as well as generate power, thus boosting growth.
- The Indian Railways is taking increased efforts through sustained energy efficient measures and maximum use of clean fuel to cut down emission level by 33 per cent by 2030.

Achievements

Following are the achievements of the government during 2018:

- The energy trade between India and US is likely to touch US$ 10 billion in the financial year 2019-20.
- As on September 01, 2019, Gas Authority of India Ltd. (GAIL) has largest share (69.90 per cent or 11,411 km) of the country's natural gas pipeline network (16,324 km)
- As of Oct 1, 2019 (P), there were 24,127 LPG distributors (of PSUs) in India.
- The total number of OMC retail outlets increased to 65,973 at the start of October 2019 (P) from 59,595 at the end of FY17.
- Under City Gas Distribution (CGD) network, 86 Geographical Areas constituting 174 districts in 22 States / Union Territories are covered
- As of June 2019, more than 7.23 crore connections have been released under Pradhan Mantri Ujjwala Yojana (PMUY)
- The Ministry of New and Renewable Energy (MNRE) has decided to provide custom and excise duty benefits to the solar rooftop sector, which in turn will lower the cost of setting up as well as generate power, thus boosting growth.

Road Ahead

The Government of India is committed to increased use of clean energy sources and is already undertaking various large-scale sustainable power projects and promoting green energy heavily. In addition, renewable energy has the potential to create many employment opportunities at all levels, especially in rural areas. The Ministry of New and Renewable Energy (MNRE) has set an ambitious target to set up renewable energy capacities to the tune of 175 GW by 2022 of which about 100 GW is planned for solar, 60 for wind and other for hydro, bio among other. As of June 2018, Government of India is aiming to achieve 225 GW of renewable energy capacity by 2022, much ahead of its target of 175 GW as per the Paris Agreement. India's renewable energy sector is expected to attract investments of up to US$ 80 billion in the next four years. About 5,000 Compressed Biogas plants will be set up across India by 2023.

It is expected that by the year 2040, around 49 per cent of the total electricity will be generated by the renewable energy, as more efficient batteries will be used to store electricity which will further cut the solar energy cost by 66 per cent as compared to the current cost. Use of renewables in place of coal will save India Rs 54,000 crore (US$ 8.43 billion) annually. The renewable energy will account 55 per cent of the total installed power capacity by 2030.

Note: *SPV – Solar Photovoltaic System, MWeq - Megawatt Equivalent*

References

Media Reports, Press Releases, Press Information Bureau, IBEF, Ministry of Petroleum and Natural Gas, ***Confederation of Indian Industry›s (CII) report titled ‹State Renewable Energy P***olicies: A Comparative Study', The Bloomberg New Energy Outlook, International Energy Agency.

Renewable Energy

Market Size

Renewable Energy Capacity^ (in GW)

85.90 GW — 2019

175.0 GW — 2022

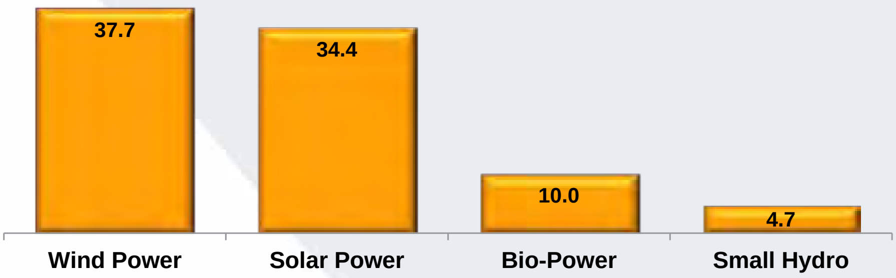
As a part of its Paris Agreement commitments, the Government of India has set an ambitious target of achieving 175 GW of renewable energy capacity by 2022.

Notes: ^ - includes wind, solar, bio power and small hydro

Trend Point: *India's renewable energy sector is expected to attract investments of up to US$ 80 billion in the next four years.*

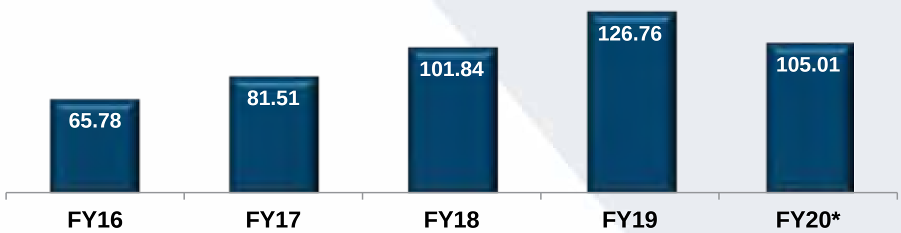
Sector Composition

Installed Capacity For Different RES (as of February 2020) (GW)



Key Trends

Electricity Generation From RES (bn units)



Note: ** up to December 2019*

Government Initiatives

- Green Energy Corridor
- Wind-Solar Hybrid Policy
- Solar Parks and Ultra Mega Solar Power Projects

Export Overview

India Handicrafts Industry and Exports

Introduction

The handicrafts sector is important for the Indian economy as it is one of the largest employment generators and accounts for a significant share in the country's exports. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented, with more than seven million regional artisans and more than 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets.

Key Markets and Export Destinations

Handicraft exports from India increased by 6.44 per cent year-on-year during 2018-19 with US$ 3.80 billion. During April 2019-February 2020, export stood at US$ 3.39 billion. During this period, the exports of various segments like woodwares at US$ 719.48 million, embroidered & crochetted goods at US$ 549.1 million, misc. handicrafts at US$ 969.8 million, handprinted textiles & scarves at US$ 329.34 million, imitation jewellery at US$ 210.6 million and artmetal wares at US$ 444.41 million.

Indian handicrafts are exported across geographies, with the top 10 destinations being the US, the UK, the UAE, Germany, France, Latin American countries (LAC), Italy, the Netherlands, Canada and Australia.

Recent Developments

Government of India increased incentive rates under the Merchandise Export from India scheme (MEIS) to seven per cent from five per cent for handicraft items which will help exporters to recover the input costs which are involved in the production of handicrafts, which will also lead in competitive pricing and also boost exports.

Export Promotion Council for Handicrafts

The EXPORT PROMOTION COUNCIL FOR HANDICRAFTS (EPCH) is the apex government body and operates under the administrative control of the Ministry of Textiles, Government of India. EPCH has the distinction of being considered a 'model council', a self-sustaining body that self-finances all its promotional activities.

***Source*:** Export Promotion Council, IBEF, EPCH India

Disclaimer: This information has been collected through secondary research and the Institute is not responsible for any errors in the same.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

www.icmai.in

Headquarters

CMA Bhawan, 12 Sudder Street, Kolkata - 700016

Ph: +91-33-2252 1031/34/35/1602/1492

Delhi Office

CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

Ph: +91-11-24666100

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