

Vol. XII | July 2024

॥ सुखिनो भवन्तु ॥

(A Monthly Newsletter of Sustainability Standards Board)



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

www.icmai.in

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

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Sustainability Standards Board

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CMA Dibbendu Roy



Chairman's Message

ॐ असतो मा सद्गमय।
तमसो मा ज्योतिर्गमय।
मृत्योर्मा अमृतं गमय।
ॐ शान्तिः शान्तिः शान्तिः।

Meaning: Lead me from the unreal to the real. Lead me from darkness to light. Lead me from death to immortality. May there be peace everywhere.

Dear Professional Colleagues,

We are coming to the tail-end part of an eventful year when it comes to the activities of the Sustainable Standards Board(SSB). It is with great element of satisfaction that I am penning this last message for the year 2023-24. A self evaluation will never prevent me to convey that the Board has excelled in its performance by various professional activities throughout the year.

Sukhinobhavantu newsletter has invariably become the mouth-piece of SSB and its progression is rapid in all sense. Today it is not only read by members, but the reach has gone far and wide both in India and abroad. It has won the compliments from various regulators, industrialists and professionals at large. Needless to mention, the students of sustainability are also the direct beneficiaries of the newsletter. No doubt, ICAI and SSB are really the front runners in coming out with an exclusive newsletter on Sustainability. I am also happy to share that the newsletter is now also available in Magster, besides being hosted in ICAI website.

By this time all the readers are also well aware of our exclusive *Vasudhaiva Kutumbakam* webinar series. The webinars are held on 2nd and 4th Fridays of every month. Eminent resource persons from regulatory bodies, industrial experts, practitioners and members from academia have graced the occasion. We have already lined up the forthcoming webinars up to October 2024. You may read the newsletter or visit our website to know about the future programmes.

It was the need of the hour to design and commence an exclusive course on ESG. The SSB took this challenge as a priority and came out with a curriculum emphasising the practical aspects of Sustainability. The course is of 50 hours duration and in addition to the final examinations, there will be practical projects which the participants have to undertake. The response for the course is overwhelming and we have closed the admission for the first batch. The admissions for the second batch are progressing in good speed. The classes for the first batch have commenced on July 13, 2024. I am sure that the course will be a good value addition to the profiles of the participants.

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Time and space are constraints to list all the activities of SSB through this message. Hence, we have compiled the details of activities and prepared a detailed report of SSB activities for the year 2023-24. The same is featuring in this newsletter. I request the readers to go through the same to get a detailed information on the activities of SSB.

These activities are really mammoth and can be achieved only with the help of an able team with diversified experience. I will be failing in my responsibility if I do not acknowledge the support, I received for undertaking these activities in a more efficient manner. Firstly I take this opportunity to thank CMA Ashwin G. Dalwadi, President (2023-24), ICMAI and CMA B B Nayak, Vice President (2023-24), ICMAI for reposing trust on me to spearhead the activities of SSB. I will cherish with thanks, the encouragement given by both of them in all the activities of SSB. I extend my deep sense of gratitude to all the members of SSB (2023-24) for the support in carrying out all the activities in a most efficient manner. The unwavering support from them was my strength. I convey my heartfelt thanks to all the eminent resource persons of *Vasudhaiva Kutumbakam* Webinar series and the scholarly authors who contributed articles in *Sukhinobhavanthu* newsletter. I consider as my privilege and pride to sincerely thank all the staff members of SSB Secretariat who toiled for the timely and successful conduct of all the activities of SSB. For the successful conduct of activity, we needed not only the support of SSB Secretariat, by also the support of many other directorate viz. IT, professional development etc. We have also received systematic service from the designer for the timely release of newsletter. Words are not sufficient to thank them. I remember with gratefulness, all of them who have directly or indirectly contributed to the activities of SSB.

It is aptly said "*Change is only thing constant*" By the time we meet you in the next edition, there will be a set of new members who will be taking guard. There will be a new dawn, new set of ideas, new directions etc. But the activities will remain not only perpetual, but also there will be an enhanced horizon.

While penning the last words, the motto of our institute "*Thamasoma Jyothirgamaya*" is flashing my emotions. Ever since the inception of SSB we have gone a long way and I have no second thought in stating that, the years coming are going to be more brighter, not only in terms of activities, but also its contribution to mankind and society at large.

Together we can; Together we will make the difference.

Yours in professional service,

July 21, 2024

CMA (Dr.) Ashish P Thatte
Chairman (2023-24)
Sustainability Standards Board

The Group of Twenty (G20)

Part II

CMA (Dr.) Aditi Dasgupta
Joint Director, ICMAI
Kolkata

SUSTAIN THE SUSTAINABILITY



The G20 (Group of 20) is the premier forum for global economic co-operation. It brings together leaders and policymakers from the world's major economies to discuss key economic, development and social issues. G20 members represent around 80% of global GDP, 75% of global exports and 60% of the global population. In the previous issue we discussed about the summit information on G20 2009 and 2010 summits. In this issue we have highlighted the summit information on 2011, 2012, 2013 and 2014.



The G20 Leaders' Summit was held on November 3-4, 2011, in Cannes, France. Several significant steps and progress were made during the summit.

In an effort to curb excess volatility in commodity prices, the G20 made strong commitments to increase transparency in both physical (energy and agricultural)

and financial commodity markets. The G20 also supported recommendations from the High-Level Panel of private sector experts, and development banks to enhance human resources and capacity in developing countries.

For the first time, the G20 mobilized support for innovative financing targeting development and climate change initiatives. Additionally, the G20 agreed on a renewed framework of rules for banks, addressing challenges faced by the banking sector since 2007.

Recognizing the problems posed by price volatility in agriculture, the G20 aimed to protect consumers and producers in developing countries, promoting investment, production, and agricultural development. Significant progress was also made in anti-corruption efforts since the Seoul Summit in November 2010, with the French Presidency advancing work on asset recovery, money laundering, whistle-blower protection, anti-corruption agency independence, public sector transparency, and international cooperation.

The G20 committed to completing major financial sector reforms and aligning national regulations to prevent regulatory arbitrage. New focuses include rules on financial guarantee requirements for non-centrally cleared derivatives and harmonizing central databases and regulatory data access.

G20 members renewed their pledge to avoid new trade restrictions until 2013 and to eliminate existing protectionist measures. The WTO, alongside the OECD and UNCTAD, will review the situation every six months. The G20 also decided to enhance the IMF's ability to respond to and prevent crises, improving surveillance of its members and the global economy as part of international monetary system reforms.

France prioritized agriculture and food security, with the G20 adopting an "Action Plan on Food Price Volatility and Agriculture" providing solutions to the global agriculture and food challenge. The G20 Agriculture Ministers and major international organizations, including the FAO, were brought together for the first time.

The French Presidency added the social dimension of globalization to the G20 agenda, arranging a meeting of G20 Labour and Employment Ministers. In Cannes, the Heads of State acknowledged the importance of making the social dimension a permanent part of the G20 agenda.

The G20's Action Plan on food price volatility mandated the World Food Programme and other international

organizations to study the feasibility of implementing a humanitarian food reserve system in Africa alongside existing national reserves. The G20 also adopted a reference framework for better managing capital flows, acknowledging that measures to manage capital flows can complement sound macroeconomic policies and be used when flows are high and volatile.



The G20 reviewed processes related to tax havens and non-cooperative jurisdictions, a complex task requiring collective judgment on reluctant countries. In response to heightened global economic

tensions and risks, the G20 took decisive actions to restore confidence, financial stability, and growth through the Action Plan for Growth and Jobs.

The G20 Summit was held in Los Cabos, Mexico, on June 18-19, 2012. During the summit, several key issues were addressed and significant steps were taken to foster global economic stability and growth. The priorities of the Mexican presidency were the economic stabilization and structural reforms for growth and employment; strengthening financial systems and promoting financial inclusion to boost economic growth; improve the international financial architecture in an interconnected global economy; reinforce food security and mitigate the volatility of the price of raw material; promote sustainable development, green growth and the fight against climate change.

One of the primary focuses was on the ongoing global economic crisis, with G20 leaders committing to promote growth and job creation, particularly through sound macroeconomic policies. They emphasized the importance of fiscal sustainability and structural reforms to enhance economic resilience and competitiveness. The G20 also reinforced the need for countries to commit to credible fiscal plans that would ensure long-term debt sustainability while supporting economic recovery.

Trade and investment were highlighted as critical engines for growth. The G20 leaders reaffirmed their commitment to an open global economy and to resisting protectionist measures. They also called for advancing multilateral trade negotiations and enhancing global trade through various initiatives, including the reduction of trade barriers and the promotion of investment flows.

The summit placed a strong emphasis on the financial sector, aiming to strengthen financial regulation and

oversight to mitigate risks and prevent future crises. The leaders discussed the implementation of the Basel III framework, which focuses on banking regulation and improving the banking sector's ability to absorb shocks. Additionally, they committed to ensuring that all systemically important financial institutions are subjected to appropriate regulation and supervision.

Development issues were also a key focus, with the G20 recognizing the importance of inclusive growth and the need to address global poverty. Leaders endorsed measures to improve food security, promote sustainable development, and support low-income countries through various initiatives and financial commitments.

Climate change and sustainable development were significant topics at the summit. The G20 leaders acknowledged the need to address environmental challenges and committed to promoting green growth and sustainable energy policies. They emphasized the importance of transitioning to low-carbon economies and enhancing cooperation on energy efficiency and renewable energy sources.

In summary, the G20 Summit in Los Cabos, Mexico, on June 18-19, 2012, focused on promoting global economic stability and growth through sound macroeconomic policies, trade and investment promotion, financial sector regulation, development initiatives, and addressing climate change and sustainable development. The commitments made during the summit aimed to foster a more resilient and inclusive global economy.



The G20 Summit in St. Petersburg marked the eighth meeting of G20 leaders and took place in Russia on September 5-6, 2013. The summit's agenda focused on several key topics: implementing

the Framework Agreement for Sustainable, Strong, and Balanced Growth; promoting employment; reforming the international monetary and financial system; enhancing financial regulation and supervision; ensuring the sustainable development of global energy markets; advancing international development; strengthening multilateral trade; and combating corruption.

The Russian G20 Presidency chose to concentrate on traditional goals, supporting sustainable, inclusive, and balanced growth, as well as job creation worldwide. To achieve this, Russia identified three main priorities: boosting growth through quality jobs and investment, enhancing trust and transparency in the markets, and ensuring effective and efficient regulation. Additionally,

Russia introduced two new financial topics: financing for investment and government borrowing, and public debt sustainability. The focus was on coordinating policy measures to stimulate long-term investment and discussing the future of sovereign borrowings within the framework of agreed international rules.

To maintain continuity and ensure the implementation of previous commitments, Russia worked with partners to advance traditional G20 issues. These included the state of the global economy, the implementation of the Framework Agreement for Strong, Sustainable, and Balanced Growth, job creation, reforming currency and financial regulation systems, including IMF formula and quota reforms, maintaining stability in global energy markets, enhancing international development, strengthening multilateral trade, and combating corruption.



Australia's 2014 G20 Summit took place in Brisbane on November 15-16. The summit addressed the three key themes of growth and jobs, economic resilience, and

strengthening global institutions, achieving significant outcomes in each area.

Leaders at the Brisbane Summit discussed major global economic challenges and strategies for fostering economic growth. The G20 committed to increasing G20 GDP by more than 2 percent over the next five years. Additionally, they agreed to stimulate growth and create quality jobs, as outlined in the Brisbane Action Plan and associated growth strategies.

To further these goals, leaders agreed to increase investment in infrastructure by establishing a Global Infrastructure Hub. They also aimed to improve energy collaboration and strengthen energy markets through the G20 Principles on Energy Collaboration. Another key objective was to reduce the gap between male and female workforce participation rates by 25 percent by 2025, known as the Brisbane Goal. Furthermore, leaders agreed on reforms to enhance financial regulation and combat tax avoidance.

The summit concluded with the release of a Leaders' Communique, the Brisbane Action Plan, and a standalone statement on Ebola. 

(to be continued.....)

Source:

www.g20.in

Sustainability – A Global Outlook

1. KPMG Launches Clear On Climate Reporting Hub

Climate change is driving increased scrutiny of financial reporting from stakeholders, including regulators, investors, and the public. They demand clarity on how companies report climate-related matters, such as net-zero commitments. KPMG has responded by launching its Clear on Climate Reporting Hub, offering insights and guidance to help organizations and their stakeholders understand climate transparency in corporate reporting.

[Read More.....](#) 

2. Delay Proposed for California Climate Laws

Governor Gavin Newsom proposed amendments to California climate laws SB 253 and 261 that would postpone implementation by two years and give the California Air Resources Board (CARB) more flexibility in creating the rules. These policies, signed into law last October, are the US's most far-reaching climate disclosure mandates. They require both public and private companies that 'do business' in California to report on their Scope 1, 2, and 3 emissions and climate risks.

[Read More.....](#) 

3. Amazon's Sustainability Exchange Offers Free Decarbonization Tools, Mandates Supplier Commitment to Climate Goals

Amazon's Sustainability Exchange, launched today, provides previously proprietary guidance to accelerate supply chain decarbonization. This initiative marks a significant step in Amazon's journey to reach net-zero carbon by 2040.

[Read More.....](#) 

4. EU Announces Record €7 Billion Investment in Climate-Focused Transport Infrastructure

The European Commission has announced a record €7 billion investment in sustainable, safe, and smart transport infrastructure through the Connecting Europe Facility (CEF). This marks the largest call under the current CEF Transport programme, with funds allocated to 134 projects. About 83% of the funding targets EU climate objectives, enhancing the trans-European transport (TEN-T) network. Rail projects, crucial for sustainability, will receive 80% of the €7 billion. As part of this initiative, the revised TEN-T Regulation will come into effect on July 18.

[Read More.....](#) 

5. IHG Unveils 'Low Carbon Pioneers' to Lead Sustainability in Hospitality

IHG Hotels & Resorts has launched its groundbreaking Low Carbon Pioneers program, bringing together energy-efficient hotels that operate without on-site fossil fuel combustion and are powered by renewable energy. This pioneering group, the first of its kind in the hospitality industry, aims to test, learn, and share sustainable practices, inspiring other properties to join the initiative.

[Read More.....](#) 

6. Sustainable Fitch Integrates SESAMm's AI-Powered Data to Enhance ESG Scores and Ratings

Sustainable Fitch, a leading provider of ESG data and analysis, is set to integrate SESAMm's advanced AI-powered text analysis into its ESG Scores and Ratings. This collaboration aims to deliver more detailed and comprehensive ESG insights to their



clients, encompassing asset owners and managers across both public and private markets.

[Read More.....](#) 

7. **\$8B Climate Finance Plan for Tajikistan Launched by ADB**

The Asian Development Bank (ADB) and the Committee for Environmental Protection of Tajikistan have launched an \$8 billion Climate Finance Plan aimed at achieving the country's Nationally Determined Contribution (NDC) targets by 2030. This plan outlines the necessary investments for climate adaptation and mitigation.

[Read More.....](#) 

8. **China Dominates Global Wind and Solar Energy Construction**

China is solidifying its position as the global leader in renewable energy with 180 GW of solar and 159 GW of wind power currently under construction. This combined 339 GW is almost twice as much as the rest of the world combined and enough

to power all of South Korea, according to Global Energy Monitor (GEM).

[Read More.....](#) 

9. **Hong Kong Firms with Enhanced Sustainability Disclosures Valued Higher: ASIFMA**

ASIFMA Asset Management Group (AAMG) has unveiled a comprehensive report on the adoption of International Sustainability Standards Board (ISSB) Standards across Asia. This first-of-its-kind report provides invaluable insights into the regional adoption of these global standards, crucial for aligning with international investor expectations.

[Read More.....](#) 

10. **PepsiCo, Yara to Provide Farmers with Low-Carbon Fertilizers, Tools to Decarbonize Food Production**

PepsiCo Europe announced today the launch of a new long-term partnership with crop nutrition company Yara aimed at providing farms in the EU and UK with low-carbon fertilizers, crop nutrition programs, and other tools to help decarbonize the food value chain.

[Read More.....](#) 

Sustainability – Indian Context

1. ESG disclosure driving climate literacy in India

India has emerged as a key player in the global fight against climate change, spearheading initiatives and advocating for ambitious action on the world stage. Hence, it is crucial for Indian businesses to play an important role in implementing this meaningful change.

[Read More.....](#) 

2. 52% GCCs in India adopting ESG agenda

The EY report, India's inaugural 'ESG GCC Report 2024', has collected data from more than 45 GCCs in the country. As many as 52% of the Global Capability Centres (GCCs) are taking proactive steps in adopting environmental, social and governance (ESG) policies, according to Ernst & Young report. It further said nearly 70% of these GCC centres are "actively" pursuing tech collaborations to implement ESG initiatives.

[Read More.....](#) 

3. Fueling a Greener Future: US-India Partnership for Clean Energy and Climate Action

The recent G20 Summit in New Delhi emphasized climate action, energy security, climate finance, and the transition to a clean energy economy. The US-India Strategic Partnership Forum (USISPF) and ReNew, working together with the Consulate General of India in New York, hosted a special meeting during Climate Week 2023 in New York City. They talked about the "US-India Climate Partnership and Emerging Opportunities."

[Read More.....](#) 

4. Budget 2024: Will green power be a priority?

During the Interim Budget Rs 28,352 crore was allocated to the power sector and this is a sharp 50 per cent increase from the revised estimate (RE) of Rs 18,945 crore for 2023-24

[Read More.....](#) 





5. L&T's focus on renewables: Bags mega order for solar PV plants from Middle East

The scope of the orders also includes grid interconnections encompassing pooling substations and overhead transmission lines. Detailed engineering and initial construction work are expected to commence shortly.

[Read More.....](#) 

6. Green deposits: Paving the path to sustainable finance in India

The RBI's efforts to promote green deposits is laudable, but the framework suffers from multiple shortcomings that undermine its effectiveness and credibility.

[Read More.....](#) 

7. Building a greener future: Why green certifications are key for Indian commercial real estate

Studies by McKinsey show the commercial real estate sector contributes a staggering 40% of global carbon emissions. However, there's a beacon of hope: green building certifications.

[Read More.....](#) 

8. Sustainability and online gaming: The collaboration of the future

Termed as "internet pollution," online gaming presently contributes to 3.7% of global greenhouse gas emissions, according to a report from WinZO and Interactive Entertainment and Innovation Council (IEIC). Yet, the sector's hyper-growth phase

offers a unique opportunity to proactively address these issues.

[Read More.....](#) 

9. Harnessing technology to reduce carbon footprints: India's path to net zero

India is committed to its mission to Net Zero and will achieve this goal through its Long-Term Low Carbon Emissions Development Strategy.

[Read More.....](#) 

10. ITC on a green high! Achieves 2030 target of 50% renewable energy use 7 years ahead

ITC has made a commitment to reduce dependence on energy from fossil fuels and accordingly, all its factories have incorporated appropriate green features and premium luxury hotels, and office complexes continue to be certified at the highest level.

[Read More.....](#) 

11. SEBI enables ESG rating providers to undertake activities under IFSCA

IFSCA has been added to the list of financial sector regulators to enable Credit Rating Agencies (CRAs) and ESG Rating Providers (ERPs) to undertake rating and ESG rating activities, respectively, at IFSC-GIFT City, Gujarat.

[Read More.....](#) 

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CERTIFICATE COURSE

Brochure on Certificate Course on ESG (Batch No. 2)

CERTIFICATE COURSE ON ESG



Brochure

Sustainability Standards Board



ICMAI
**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

Delhi Office:

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

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Certificate Course on ESG | The Institute of Cost Accountants of India



About The Institute

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

International Affiliation

The Institute is a founder member of International Federation of Accountants (IFAC), Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA). The Institute is also an Associate Member of ASEAN Federation of Accountants (AFA) and member in the Council of International Integrated Reporting Council (IIRC), UK.

Institute's Network

Institute's headquarters is situated at Kolkata with another office at New Delhi. The Institute operates through four Regional Councils at Kolkata, Chennai, Delhi and Mumbai as well as through 117 Chapters situated in India, 11 Overseas Centres abroad, 2 Centres of Excellence, 61 CMA Support Centres and 401 Recognized Oral Coaching Centres.

Institute's Strength

The Institute is the largest Cost & Management Accounting body in the World, having a large base of about 1,00,000 CMAs either in practice or in employment and around 5,00,000 students pursuing the CMA Course.

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 Cost and Management Accountant 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."

Course Objective

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

Course Eligibility

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

(Minimum Intake is 25 numbers to start a batch)

Course Duration

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

Online Examination for 100 marks

- ▲ Multiple Choice Questions – 70 questions, 1 mark each
- ▲ Case Study (also multiple choice) – 5 questions, 2 marks each
- ▲ Project Report – online submission – 20 marks

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

Course Fees

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

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Syllabus of the ESG Course

Session No.	Particulars	Module Duration
1	<p>Shareholders to stakeholders Shifting emphasis from shareholders to Stakeholders Corporate Social Responsibility (CSR) The Three Ps – People, Planet and Profits Connecting sustainability to Strategy and Corporate Governance</p> <p>ESG – the pathway to Sustainability Introduction Conceptual framework Material ESG Issues Concept of ESG Maturity Challenges in implementing ESG</p>	3 hours
2	<p>Importance of Economics, Environment, Social and Governance (E+ESG) in Sustainability UN Mandated Sustainable Development goals (SDGs) 17 SDGs Where are we in SDGs – Globally and in India Reconciling priorities of SDGs – in India and Globally</p>	5 hours
3	<p>Issues with respect to Environmental Factors COP 26 and 27 – Outcome Climate Change – Risk Mitigation and Adaptation Pressures arising out of depletion of natural resources, bio-diversity loss, land use and marine resources, Waste Disposal, Carbon Emission, Conservation of Energy Overview of TCFD and CSRD Reporting, Sustainability and Integrated Reporting – how it incorporates environmental factors</p> <p>Approaches to Environmental Analysis – Differences in approaches of developing, emerging and developed economies Circular Economy Clean and technological innovation Green / ESG related products Blue Economy Overview of Environmental Laws in India</p>	5 hours
4	Product Life Cycle, Service Life Cycle and Life Cycle Assessment	2 hours
5	<p>Overview of Laws relating to social security and Human rights Labour-Employer relationship Training & Development Occupational Health & Safety Community Development & Public Policy</p>	3 hours
6	<p>ESG Investments, Different ESG Instruments, Ratings, Due Diligence and Assurance Approaches to ESG Investments Responsible Investment, Socially Responsible Investment (SRI), Sustainable Investment, Best in Class Investment, Thematic Investment, Impact Investment, Green Investment etc.</p> <p>Investing in ESG through Different Instruments Equity-Based Instruments, ESG & Fixed Income Instruments, Derivative & Alternative Instruments ESG Ratings – How conceptually different from Credit Ratings, Regulatory Ratings and Investor driven ratings ESG Assurance – External Assurance and Internal Audit / Assurance ESG Due Diligence ESG Risk & Opportunities</p>	5 hours

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Certificate Course on ESG | The Institute of Cost Accountants of India



Syllabus of the ESG Course

Session No.	Particulars	Module Duration
7	KPIs with specific reference to ESG – How ESG compliance creates long-term value for the organization	4 hours
8	ESG and Capital markets Evolution of regulations National voluntary guidelines - BRR regime - NGRBC guidelines - Current BRSR regime Overview of global reporting framework (GRI, IIRC framework) SEBI consultative paper on ESG Ratings, Disclosure and reporting ESG Ratings SEBI consultative paper on ESG Ratings	3 hours
9	Detailed coverage of BRSR 3 sections 9 principles Essential Indicators and Leadership Indicators Presentation / coverage on the detailed requirements of disclosure in the reporting Guidance Note Issued by SEBI Identification of data points in the BRSR report and discussion on the same. Case studies and practical aspects with respect to BRSR	9 hours
10	Concept of ESG Audit and opportunities how it is related with building up of corporate attitudes towards development of the society	1 hour
	Project Work	10 hours
	Total	50 hours

Contact for further queries

Course Coordinators

CMA Dibbendu Roy, Additional Director and Secretary, SSB at ssb@icmai.in, Mobile No. 9643443047
CMA (Dr.) Aditi Dasgupta, Joint Director at ssb.newsletters@icmai.in, Mobile No. 9831004666

Sustainability Standards Board



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Headquarters:

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Delhi Office:

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

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

Union Budget 2024: Key Highlights in Sustainable Development

CMA Arunabha Saha
Practicing Cost Accountant
Thane

The Union Budget 2024 has unveiled a comprehensive roadmap towards a sustainable and resilient India, emphasising various initiatives and policies aimed at advancing sustainability through natural farming, energy security and women empowerment.

1. Natural Farming and Sustainable Agriculture:

- One crore farmer to be brought under natural farming practices.
- Establishment of 10,000 bio-input resource centres.
- Support for Farmer Producer Organisations (FPOs) for agri-product marketing.
- Commitment to sustainable agricultural practices to enhance resilience and productivity.

Natural farming can help achieve the United Nations' Sustainable Development Goals (SDGs):

- ✓ **Food security:** Improves yields, crop diversity, and access to nutritious foods year-round, with better drought resilience.
- ✓ **Lower greenhouse gas emissions:** Reduces harmful effects of synthetic inputs on people and the planet.
- ✓ **Improve rural lives:** Enhances soil health, crop output, lowers production costs, and supports women farmers.

2. Energy Efficiency in Industries:

- Investment grade energy audit for traditional micro and small industries in 60 clusters.
- Financial support for transitioning to cleaner forms of energy and implementing energy efficiency measures.
- Scheme to be replicated in another 100 clusters in the next phase.

Energy efficiency is a key part of Sustainable Development Goal (SDG 7):

- ✓ **Climate progress:** Reduces fossil fuel reliance and global carbon emissions.
- ✓ **Energy access:** Enables energy to serve more people, accelerating energy access progress.
- ✓ **Renewable energy:** Increases the share of renewable energy by lowering overall energy demand.

3. Expansion of Nuclear Energy:

- Significant backing for the expansion of nuclear energy with new technology reactors.
- Diversification of electricity sources and reduction of greenhouse gas emissions.

Nuclear energy can contribute to sustainable development and the United Nations' SDGs:

- ✓ **Goal 7: Affordable and clean energy:** Provides modern, affordable energy to those lacking access.
- ✓ **Climate action:** Reduces greenhouse gas emissions, aiding climate mitigation efforts.
- ✓ **Good health and well-being:** Has a low environmental and health impact when operating normally.

4. PM Surya Ghar Yojana:

- Aim to power 10 million households and create 17 lakh direct jobs across the solar value chain.
- Expected addition of 30 GW of solar capacity.
- Reduction of 720 million tonnes of CO2 equivalent emissions.
- Promotion of Renewable Energy Storage:
- Policy for promoting pumped storage projects for electricity storage.



- Facilitating smooth integration of the growing share of renewable energy with its variable and intermittent nature into the overall energy mix.

Renewable Energy usage is a key component of the SDGs:

- ✓ **SDG 11: Sustainable Cities and Communities:** Contributes significantly to creating sustainable urban environments.

5. **Women in Workforce:**

- Higher participation of women in the workforce through the establishment of working women hostels in collaboration with the industry and creation of creches.
- Organisation of women-specific skilling programs and promotion of market access for women Self Help Group (SHG) enterprises.
- Allocation of more than ₹3 lakh crore for schemes benefitting women and girls, signalling the government's commitment to enhancing women's role in economic development.

Gender equality and women's empowerment is integral to the United Nations' 2030 Agenda for SDGs:

- ✓ **SDG 5:** Achieves gender equality and empowers women and girls.
- ✓ **SDG 8:** Promotes economic growth, employment, and equal pay for equal work.

The Union Budget 2024 sets a clear path towards a sustainable and resilient India, with strategic investments and policies aimed at promoting green practices, enhancing energy efficiency, and integrating renewable energy sources into the national grid. By focusing on natural farming, energy-efficient industries, and expanding nuclear and solar energy, the budget ensures a balanced approach to economic growth and environmental stewardship. Furthermore, the significant emphasis on women's participation in the workforce underscores the government's commitment to inclusive development. These initiatives collectively pave the way for a sustainable, energy-secure, and equitable future for the nation.

SB

Sustainability Standards Board

SSB conducted the following activities during the year 2023-24

1. Vasudhaiva Kutumbakam Series

SSB commenced *Vasudhaiva Kutumbakam* webinar series which will be held on 2nd and 4th Fridays of every month. The following are the details of webinars held so far.

Sr. No.	Date	Topic	Speaker
1	February 09, 2024	Balancing Prosperity with Posterity - Role of SDGs in Vasudhaiva Kutumbakam	CMA Venkateswaran Ramakrishnan Deputy General Manager Securities and Exchange Board of India
2	February 23, 2024	Emerging Trends and Opportunities in ESG and Impact Investing Space	Shri Pawan Jhabakh Legal Counsel & Corporate Attorney
3	March 08, 2024	International Women's Day Special Session on Sustainability and Succession	Ms. Lekha Ashok Director SVJS Knowledge Lab Private Limited Shri Jayan K Director SVJS Knowledge Lab Private Limited
4	March 22, 2024	Indian Perspective to ESG	Dr. Sudheendra Putty Associate Vice President Cyient Limited
5	April 12, 2024	Fostering Social Economy through Social Stock Exchange	Shri Syam Kumar R Insolvency Professional
6	April 26, 2024	Sustainability Report Preparation	CMA Siddhartha Pal Practising Cost Accountant
7	May 10, 2024	Social Stock Exchange: Exchange Perspectives (Listing and Post Listing Compliances)	Shri Ashok Kumar Singh Deputy General Manager BSE Limited
8	May 24, 2024	AI & Sustainability	Ms. Anju Panicker Director SEP Learning and Corporate Solutions Private Limited
9.	June 14, 2024	Ensuring Sustainable Economy through SMEs	Shri Suresh Viswanathan Director Finteglaw Business Integrators Private Limited
10.	June 21, 2024	International Day for Yoga Edition	
		a) Yoga-The Sustainable way of Visualizing life	Ms. Vidya H. Pawar Yoga Practitioner
		b) Setting up Sustainability Governance in Companies	CMA Shivangi P. Rajpopat General Manager Apraava R Renewable Energy Private Limited
11.	July 12, 2024	Funding Sustainability Measures through bonds	Ms. Usha Ganapathy Subramanian Practising Company Secretary

2. Joint Programmes

SSB organised the following programmes jointly with ICAI and Social Auditors Organization:

S.No.	Date	Topic
1	January 23, 2024	Business Responsibility and Sustainability Reporting
2	January 29, 2024	Practical aspects of BRSR and International Standards on Assurance ISSA 5000
3	January 31, 2024	Business Responsibility and Sustainability Reporting
4	February 10, 2024	ESG Mutual Funds
5	February 11, 2024	Green Supply Chain
6	February 17, 2024	Accounting for Carbon Credits
7	February 18, 2024	Leveraging CSR for Enhancing Pro ESG Actions
8	February 20, 2024	ESG controversies and Green washing behavior of firms
9	February 22, 2024	Carbon Footprint Carbon Credits and Climate Change
10	February 24, 2024	Critical Requirements for BRSR Disclosures - points to consider for preparing BRSR Disclosures
11	March 27, 2024	Importance of ESG in Valuation
12	April 20, 2024	Life Cycle Assessment of Products

3. Sukhinobhavantu Monthly Newsletter

The Sustainability Standards Board(SSB) of ICAI comes out with a monthly newsletter -"Sukhinobhavantu" which is released on 25th of every month. It covers various segments viz. Sustainability updates, both from Indian and global front, sustainability musings, Quiz etc. The newsletter has included innovative corners like reroute to our roots, sustainability lessons from ancient scriptures, The Art of Writing Articles for Professional Publications and news of upcoming various webinars organized by SSB is also covered in the newsletter. Apart from the above the newsletter carries various scholarly articles on Sustainability. Sukhinobhavantu is a worthy reading material for both professionals and students who are keen to keep track of the happenings in the arena of sustainability.

The weblink for accessing the newsletters is as follows

https://icmai.in/icmai/SSB/SSB_Newsletter.php

4. Online Course on ESG

SSB has launched a 50 hours online course on ESG and the classes for the first batch were commenced on 13th July, 2024. 57 participants from diversified professional background enrolled for the course.

5. Management Accountant Journal

SSB continues to provide articles for the dedicated sustainability section in Management Accountant Journal. The section is called "Sustainability Leaf". Contemporary aspects in the areas of sustainability are dealt in this column.

6. Guidelines for implementing BRSR Core for Value Chain Partners and assurance standards for BRSR Core

Presently, the SSB is in the process of finalizing two principles.



7. Finalization of Sustainability Standards

The SSB is in the process of finalization of two Sustainability Standards with due emphasis on Management Accounting.

8. Hosting of Sustainability Conclave

The SSB hosted a Sustainability Conclave in association with Western India Regional Council and Goa Chapter of ICMAI on 4th November, 2023 at Goa.


9. Guidance Note on Carbon Credit Mechanism, Greenhouse Gas Accounting, ESG Reporting with Different Sustainability Standards (including the Current IFRS S1 and S2 Standards) - Role of Cost Accountants”

The Guidance Note was prepared for the benefit of the Members and it is a part of the study materials for the ESG course.

10. Engagement with GRI

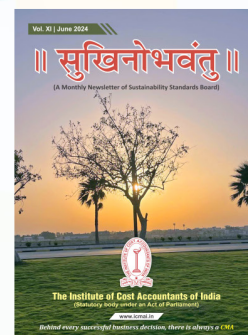
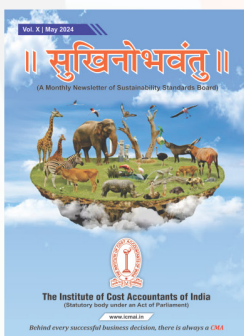
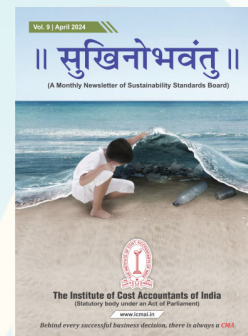
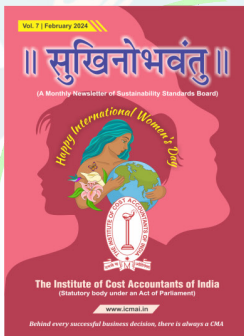
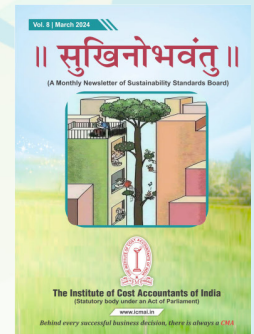
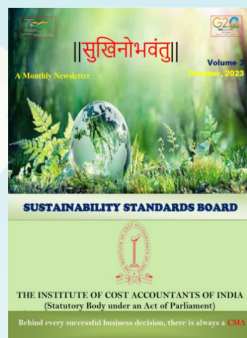
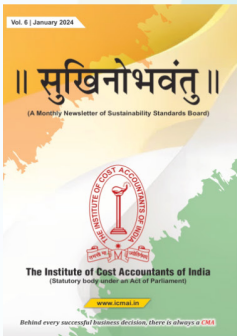
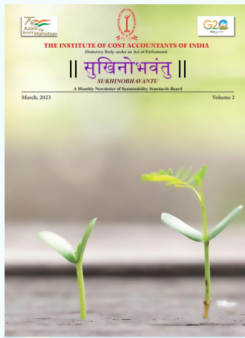
A Joint Colloquium on ‘Leveraging Sustainability Standards for building Sustainable Organizations’ with SSB and Professional Development & CEP Committee of ICMAI along with ICMAI Social Auditors Organization in association with Global Reporting Initiative (GRI) was organized on 8th November, 2023 at IIC, New Delhi.

11. Survey on Strategy Management Systems for Sustainability/BRSR/ESG

The SSB is currently conducting a survey in various sectors and industries to assess the feasibility and to address the challenges faced by Companies in the area of sustainability. 

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ACTIVITY REPORT OF SSB



ESG Accounting and Audit

CMA R Balakrishnan

Pune

ESG-An Introduction

Factors relating to Environmental, Social, and Governance (ESG) have been gained significant attention in the recent years as the key indicators of a company's sustainability and the company's long-term success. All the organizations are striving hard to meet the growing demand for transparency with enhanced disclosures coupled with world best practices. In this respect ESG accounting and audit have emerged as one of the essential tools for measuring and reporting on these factors. Let us examine the various factors associated with ESG in order to have a comprehensive overview of ESG accounting and audit in our country, covering the fundamentals, key considerations, and the role of professionals – especially the Cost and Management Accountants in this field.

ESG-Its Significance

At the first place, the ESG assists / helps all the stakeholders and as well as the investors and the wider public to make their informal decisions and evaluate a

company's performance beyond financial indicators alone. It will not be out of the place to mention that the Companies that prioritize ESG considerations tend to be better positioned to manage risks, attract investment, and foster long-term value creation while positively contributing to society and the environment.

ESG-Reporting

ESG reporting means, the disclosure of data covering the company's operations in three areas i.e. (i) environmental; (ii) social and corporate governance. ESG reporting helps investors avoid companies that might pose a greater financial risk due to their environmental performance or other social or governmental practices and assist them in taking informal decisions while they are investing their hard earned money.

ESG-It's Reporting Importance

The purpose and the value of ESG reporting is that the ESG reporting ensures the companies to consider their impacts on sustainability issues and enables them to be



company's commitment to sustainable and responsible business best practices followed by them. When one to want to assess a company's sustainability and its long term prosperity, one has to take the social impact of the company's ESG practices by taking a holistic approach so that proper evaluation could be done and this is the significance of ESG. When one considers the environmental, social, and governance factors, the

transparent about the risks and opportunities they face while reporting in the annual report to the stakeholders.

ESG-Mode of Reporting

The ESG reports or sustainability reporting done by the companies is through publication of annual sustainability reports which form part and parcel of the annual financial statements. The ESG reporting is based on the global

reporting initiatives (GRI) standards and the integrated reporting framework respectively. The GRI standards are a set of interrelated reporting standards, enabling organizations to report publicly on their economic, environmental and social impacts and contribution towards sustainable development covering the universal standards, sector standards and topic standards. The GRI Standards are issued by the Global Sustainability Standards Board (GSSB), an independent operating entity of GRI.

ESG-Reporting Regulations

We have been witnessing significant developments in the regulatory landscape relating to ESG accounting and reporting. The Government, regulatory bodies, and stock exchanges have taken various initiatives to promote ESG integration and transparency and the following are some of the important provisions pertaining to this subject.

Sr. No	Act / Regulation	Brief details
1	Companies Act, 2013	As per the provisions of the Companies Act 2013, those companies meeting specific financial thresholds are mandatorily required to spend a prescribed percentage of their profits on CSR initiatives and report on their activities annually which shows the concern for corporates about their social responsibility activities.
2	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015	SEBI, the market regulators has been actively promoting ESG integration and disclosure for the listed companies in our country. SEBI has specified the format of the Business Responsibility and Sustainability Reporting. (BRSR), vide its notification dated 10 th May 2021 along with guidance note to enable companies to interpret the scope of disclosures required to be made in the BRSR report in their annual report published each year and this requirement is applicable for the the top 1,000 listed companies to disclose their ESG performance. The BRSR framework is aligned with international reporting standards such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board.
3	Stewardship Code	Another initiative taken by SEBI is that of formulated the Stewardship Code, which outlines the principles and responsibilities for institutional investors to engage with investee companies on ESG issues and this code encourages institutional investors to actively participate in company decision-making and promote long-term sustainable value creation leading to shareholders' activism.
4	Stock Exchanges	Bombay Stock Exchange and National Stock Exchange, play an important role in driving ESG reporting practices. Both the exchanges have implemented measures to enhance ESG disclosure and transparent reporting among listed companies. The exchanges require mandatory submission of ESG-related information as part of the annual reports and listing agreements.

ESG-Industry Specific Reporting

In addition to the above, there are specific industries which do have their own reporting requirements and guidelines and some of the important industry specific requirements as given below.

Banking and Financial Institutions: Reserve Bank of India who regulates the banking and financial institutions under the Banking Regulations Act 1949, has issued its own guidelines on the implementation of integrated

reporting for banks, requiring them to report on ESG aspects along with financial performance.

Renewable Energy: The Ministry of New and Renewable Energy has also issued guidelines for reporting on renewable energy capacity, generation, and project-specific environmental and social impacts and other aspects.

Pharmaceutical: Pharmaceutical Industry Association, (example- Indian Pharmaceutical Association) might

have specific guidelines for reporting on sustainability and ethical practices in the pharmaceutical sector.

Therefore, it is much more important for a particular company to be aware of any industry-specific reporting requirements and guidelines are applicable to them and accordingly to ensure compliance and alignment with sector-specific sustainability priorities. Adhering to both general frameworks and industry-specific guidelines could provide a more comprehensive and tailored approach to ESG reporting.

ESG-Disclosure Requirements

Disclosure in annual reports - Listed companies are required to comply with disclosure requirements set by SEBI and the stock exchanges in their annual reports about the ESG-related information providing disclosures on ESG policies, initiatives, and performance indicators. SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 mandates the submission of ESG-related information, ensuring transparency and comparability among listed entities.

Globally recognized certifications: Many organizations have gone ahead and obtained the globally recognized certifications on environmental management by the International Organization for Standardization (ISO) and publishing the certification of ISO14001 and also on social accountability certificate awarded by Social Accountability Accreditation Services (SAAS) and publishing SAS8000 validating the organizations

significant value in validating its ESG performance and its social accountability. ISO 14001 and SA 8000 both accreditations granted by internationally recognized certification authorities who are providing assurance to stakeholders that a company's ESG practices and social accountability meet globally accepted standards. The certification obtained by the company would definitely enhance its reputation, credibility, and competitiveness, and signal its commitment to sustainable and responsible for the best business practices.

Materiality Assessment: Listed companies are encouraged to conduct materiality assessments to identify ESG factors that are most relevant to their business operations and stakeholders. Material ESG factors need to be disclosed in accordance with recognized reporting frameworks. Stock exchanges play a crucial role in driving ESG reporting practices by mandating ESG-related disclosures, conducting regular reviews of compliance, and providing guidance and support to listed companies. The stock exchanges also facilitate awareness and capacity-building initiatives, encouraging companies to adopt sustainable practices and meet ESG reporting requirements.

ESG-Accounting and Benefits

ESG accounting plays an impotent role in terms of quantifying and reporting ESG metrics for companies and the following are some of the key reasons as to why ESG accounting is important in order to have a better clarity

Sr. No	Benefits	Brief details
1	Performance Evaluation	ESG accounting provides a framework to measure a company's performance in relation to its sustainability goals. It enables companies to track their progress, set targets, and evaluate the effectiveness of their ESG initiatives. This evaluation helps companies identify areas for improvement and make informed decisions to enhance their sustainability practices.
2	Enhanced Transparency	ESG accounting would enable the companies to provide transparent and standardized information about their environmental, social, and governance performance. This transparency allows stakeholders, including investors, customers, employees, and communities, to make informed decisions based on a company's sustainability practices. Perhaps this is the reason why the SEBI has specified the format of the Business Responsibility and Sustainability Reporting. (BRSR), vide its notification dated 10 th May 2021 along with guidance note to enable companies to interpret the scope of disclosures required to be made in the BRSR report.
3	Risk Assessment and Management	ESG accounting helps companies identify and assess ESG-related risks and opportunities so that the companies could quantify and report ESG metrics, understanding the potential impact of these factors on their business operations, reputation, and long-term sustainability. This information allows for more effective risk management strategies.

Sr. No	Benefits	Brief details
4	Stakeholder Engagement	In the digital era where the meetings could be conducted through video conferencing, ESG accounting facilitates effective communication with stakeholders. By reporting ESG metrics, companies demonstrate their commitment to transparency, sustainability, and responsible business practices. This engagement helps build trust, attract socially responsible investors, and foster positive relationships with customers, employees, and communities.

ESG-Audit

ESG audit is a process involving verification of the accuracy, completeness, and reliability of a company's ESG disclosures and reporting. It is an independent assessment conducted by auditors or assurance providers to evaluate whether the company's ESG practices align with its stated objectives and commitments. The primary role of an ESG audit is to provide assurance to stakeholders, including investors, regulators, and the public, regarding the credibility and transparency of a company's ESG disclosures. ESG Audit would ensure the accuracy and reliability of the report ESG information together with identifying the gaps and

weaknesses enabling the enterprise to enhance their ESG compliance and disclosures and above all it would enhance the accountability and transparency.

Role of Professionals in ESG Accounting and Audit

Professionals, such as chartered accountants, cost accountants, management accountants, auditors, and sustainability experts, could play very important and crucial roles in ESG accounting and audit processes. We could summarize the key aspects of the different professionals and the key role and contributions being played by them in this respect.

Sr. No	Professionals	Key role / contributions
1	Accountants	Accountants have an important role in ESG accounting, as they are responsible for collecting, analyzing, and interpreting ESG data. Their tasks may include: <ol style="list-style-type: none"> 1. Establishing systems & processes for data collection and its management. 2. Applying accounting principles to quantify and report ESG metrics. 3. Integrating financial & non-financial data to provide a comprehensive view of a company's sustainability performance. 4. Collaborating with other professionals to ensure accurate and reliable ESG reporting.
2	Auditors (internal / external)	Auditors provide independent verification of a company's ESG disclosures and reports. Their responsibilities include: <ol style="list-style-type: none"> 1. Conducting audits to assess the correctness and accuracy coupled with reliability of reported ESG information. 2. Ensuring absolute compliance with relevant ESG frameworks, regulations, and reporting guidelines. 3. Identifying gaps, weaknesses, and areas for improvement in ESG practices and reporting. 4. Finally providing assurance to stakeholders regarding the credibility and transparency of ESG disclosures
3	Sustainability Experts	Sustainability experts are those people possessing specialized knowledge and expertise to ESG accounting and audit. They play the following roles: <ol style="list-style-type: none"> 1. ESG strategy development and aligning the framework with the business objectives of the company 2. Conducting materiality assessments to identify relevant ESG factors. 3. Advising on sustainability practices, risk management, and impact assessment. 4. Assisting in the integration of ESG considerations into decision-making processes.

Skills & Expertise required by Professionals

The professional need to have a combination of technical knowledge and soft skills. We could name some of the key skills and expertise that would be called for in order to have effective performance of ESG related task.

- Professionals need to have a deep understanding of the ESG concepts together with their interdependencies and relevance to business operations.
- The professional also need to have a strong analytical skill so that data collection, its analysis and interpretation could be performed efficiently and effectively and this would call for proficiency in quantitative analysis and reporting techniques specific to ESG metrics.
- Through understanding and familiarity with the ESG reporting frameworks like GRI, SASB, and TCFD so that strict adherence of the required compliance could be met and effecting reporting could happen
- Professionals also need to have effective and efficient communication skills since stakeholder engagement skills are vital for collaborating with diverse stakeholders, including investors, regulators, and community representatives.
- Above all, the regulatory awareness i.e. staying with the updated on ever evolving regulations, guidelines, and reporting requirements related to ESG and the professionals needs to be familiar with the better understanding and knowledge of both national and international regulatory frameworks.

ESG-Accounting Challenges

ESG accounting could face many challenges in relation to data collection, its quality, lack of standardization coupled with the subjectivity and measurement as details below.

- ESG accounting poses several challenges and complexities such as availability of accurate and complete data and its qualitative information which could impact the in reaching comprehensive assessment
- As on date there is not universally accepted ESG accounting standards with the result the companies would be facing challenges in reporting

inconsistent reporting practices i.e. selecting the most appropriate format which is most suitable to an organization and aligning the same with the ESG metrics and framework – especially with industry-specific standards.

- Company might face challenges in determining the materiality of ESG factors and assigning appropriate metrics which could be a complex exercise since ESG reporting involves subjective measurements as against objective monetary value in financial reporting.
- Lastly the accuracy and reliability of ESG information reporting could face challenges since independent verification and assurance would call for while the availability of qualified auditors and certification bodies with expertise in ESG auditing may be limited as on date.

However, one must accept, despite the above challenges and complexities, there has been increasing demand for ESG accountability and various regulators have been driving efforts to overcome these challenges in order to improve ESG accounting and auditing practices.



ESG-Developments and Initiatives by Government

The following are some the recent developments and initiatives by the government in order to bring greater disclosure and transparency on ESG.

National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (NVGs)

Ministry of Corporate Affairs introduced the NVGs, providing voluntary guidelines for businesses to integrate social, environmental, and economic responsibilities into

their operations and the guidelines issued by the MCA emphasize ESG factors and encourage companies to adopt responsible business practices. The Government had also put in place the relevant acts and rules on environmental laws from time to time such as Wildlife (Protection) Act, 1972; Water (Prevention and Control of Pollution) Act, 1974; Forest (Conservation) Act, 1980; Control of Pollution) Act, 1981; Environment (Protection) Act, 1986 and Air (Prevention and Biological Diversity Act, 2002 amongst others.

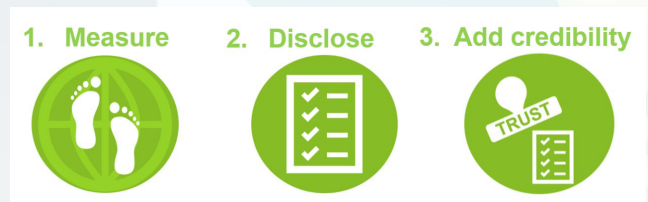
ESG-Council and ESG Reporting Portal

MCA has also established an ESG Council to guide the integration of ESG factors into corporate decision-making and reporting. In addition to the above, an ESG reporting portal has been launched to facilitate the digital reporting of ESG-related information by companies.

Task Force on ESG

MCA has constituted a Task Force on ESG to recommend a roadmap for ESG integration and disclosure, taking into account international best practices. The task force aims to develop a reporting framework for ESG disclosures in alignment with global standards.

The above initiatives taken up by the Government signify a growing emphasis on ESG integration and reporting in our country as they aim to enhance transparency, improve sustainability practices, and create a conducive environment for responsible business conduct.



Conclusion

We have been witnessing that ESG accounting and audit have become integral parts of corporate reporting, providing stakeholders with valuable insights into a company's sustainability performance on the long term. As we are moving moves towards a more sustainable and responsible business landscape, understanding and adopting ESG practices is much of crucial and corporates must embrace ESG accounting and audit, in order enhance their reputation of the companies, mitigate the risks of the business and above all contribute to a more sustainable and inclusive society.

SB

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ESG Ratings in India and their ramifications for Sustainable Business Environment

Dr. Dileep Kumar S. D.
Coordinator (M.Com)
PESIAMS
Shivamogga

Introduction

In the Indian business landscape, ESG (Environmental, Social, and Governance) ratings hold significant relevance due to several factors. Firstly, India's rapid economic growth has amplified environmental and social challenges, necessitating a heightened focus on sustainable business practices. Secondly, heightened global scrutiny on ESG performance has prompted Indian companies to align with international standards to attract investment and remain competitive. Thirdly, regulatory reforms and investor demands for transparency have elevated the importance of ESG disclosure and accountability. Furthermore, India's diverse socio-economic landscape emphasizes the importance of inclusive and ethical business practices, which are assessed through ESG criteria. Thus, within India, ESG ratings serve as a critical tool for evaluating companies' sustainability performance, fostering responsible business conduct, and driving long-term value creation.

ESG Rating Agencies in India – An Overview

The need and development of ESG (Environmental, Social, and Governance) rating agencies in India mark a significant milestone in the country's journey towards sustainability and responsible business practices. Initially, the concept gained traction in India through international influences and global sustainability movements. However, recognizing the need for tailored assessments that consider the unique socio-economic and environmental context of India, local ESG rating agencies began to emerge. These agencies have played a crucial role in shaping the ESG landscape by developing methodologies and frameworks to evaluate companies based on their ESG performance. They conduct comprehensive assessments that encompass environmental impact, social responsibility, and

governance practices, providing investors, stakeholders, and companies themselves with valuable insights into sustainability risks and opportunities.

The development of ESG rating agencies in India has been characterized by continuous refinement and innovation. Initially, agencies focused on basic ESG metrics and qualitative assessments. However, as awareness and demand for ESG integration grew, these agencies evolved to incorporate more sophisticated methodologies, data analytics, and stakeholder engagement strategies. Moreover, the collaboration between Indian ESG rating agencies and international counterparts has further enriched the ESG ecosystem in India. Partnerships and knowledge-sharing initiatives have facilitated the adoption of global best practices while ensuring that ESG assessments remain relevant and contextualized to the Indian business landscape. Regulatory support has also played a crucial role in fostering the development of ESG rating agencies in India. Regulatory bodies such as the Securities and Exchange Board of India (SEBI) have encouraged greater disclosure and transparency regarding ESG performance, providing a conducive environment for ESG rating agencies to thrive.

On the lines of the above, the need and development of ESG rating agencies in India signify a growing recognition of the importance of sustainability and responsible business conduct. As these agencies continue to evolve and refine their methodologies, they are poised to play an increasingly influential role in shaping corporate behavior and driving positive change towards a more sustainable future in India.

ESG Rating Agencies Operating in India – Brief Profiles

In India, several ESG (Environmental, Social, and Governance) rating agencies play a significant role in assessing companies' sustainability performance. Some

of the major ESG rating agencies operating in India include,

- 1) **CRISIL:** It is a subsidiary of S&P Global, is one of the oldest and most prominent credit rating agencies in India. It offers ESG ratings and assessments to evaluate companies' performance on environmental, social, and governance parameters. CRISIL's ESG ratings provide insights into companies' sustainability practices and help investors and stakeholders make informed decisions.
- 2) **ICRA:** ICRA Limited is another leading credit rating agency in India, affiliated with Moody's Investors Service. However, it provides ESG ratings and evaluations to assess companies' sustainability practices and performance. Besides, its ESG ratings offer a comprehensive analysis of environmental, social, and governance factors, aiding investors in evaluating risks and opportunities.
- 3) **India ESG Rating:** It is an independent ESG rating agency based in India, specializing in evaluating companies' sustainability performance. It offers ESG ratings and assessments tailored to the Indian market, considering local socio-economic and environmental factors. India ESG Rating's assessments help companies benchmark their sustainability performance and enhance transparency and accountability.
- 4) **ESG Risk Analytics:** It is a research and analytics firm that provides ESG ratings and analytics services to investors, corporates, and financial institutions. It offers ESG ratings and assessments based on proprietary methodologies and data analytics, enabling stakeholders to evaluate companies' sustainability risks and opportunities.
- 5) **SAM Sustainability Group India:** Which is a subsidiary of S&P Global and a leading provider of sustainability assessments and ratings. It offers ESG ratings and assessments to evaluate companies' sustainability performance based on industry-specific criteria and benchmarks. SAM Sustainability Group India's ratings help investors identify companies with strong ESG practices and drive sustainable investment strategies.

ESG Rating Trends across Different Sectors – Insights and Analysis

Analyzing ESG (Environmental, Social, and Governance) rating trends across different sectors provides valuable

insights into how companies within each sector are addressing sustainability challenges and integrating ESG considerations into their operations.

- 1) **Energy and Utilities:** ESG ratings in the energy and utilities sector often focus heavily on environmental factors such as carbon emissions, resource management, and renewable energy adoption. Companies are increasingly evaluated based on their commitment to clean energy transition, carbon footprint reduction, and adherence to environmental regulations. Social factors such as community engagement, stakeholder relations, and labor practices are also scrutinized, particularly in areas with significant environmental impact or social implications.
- 2) **Technology and Telecommunications:** In the technology and telecommunications sector, ESG ratings emphasize governance practices, data privacy, and cybersecurity. Companies are evaluated based on their corporate governance structures, board diversity, and transparency in data handling and privacy protection. Environmental considerations may focus on energy efficiency, waste management, and sustainable supply chain practices, while social factors include diversity and inclusion, labor rights, and human rights in the supply chain.
- 3) **Finance and Banking:** ESG ratings in the finance and banking sector prioritize governance, risk management, and ethical business practices. Companies are assessed based on their compliance with regulatory standards, risk mitigation strategies, and anti-corruption measures. Environmental considerations may include climate risk management, sustainable investment practices, and financing of environmentally responsible projects. Social factors such as financial inclusion, customer protection, and responsible lending practices are also key components of ESG ratings in this sector.
- 4) **Consumer Goods and Retail:** In the consumer goods and retail sector, ESG ratings focus on supply chain management, product safety, and responsible sourcing practices. Companies are evaluated based on their efforts to minimize environmental impact throughout the product lifecycle, including sourcing, production, packaging, and distribution. Social factors such as labor practices, product

quality and safety, and responsible marketing and advertising are also closely scrutinized. Governance considerations may include board diversity, executive compensation, and transparency in reporting on ESG performance.

ESG Ratings for Indian Businesses – A Few Reactions

ESG (Environmental, Social, and Governance) ratings exert a significant influence on investment decisions by both domestic and foreign investors, shaping their perceptions of companies' sustainability performance and risk profiles. Domestic investors are increasingly integrating ESG considerations into their investment strategies as they recognize the importance of sustainable and responsible business practices. ESG ratings provide valuable insights into companies' environmental impact, social responsibility, and governance practices, helping domestic investors identify companies that align with their ethical values and long-term sustainability goals. Moreover, regulatory initiatives and policy reforms promoting ESG disclosure and transparency further incentivize domestic investors to prioritize ESG considerations in their investment decisions.

Even in the case of foreign investors, particularly institutional investors and asset managers, also rely heavily on ESG ratings to assess investment opportunities and manage risks. ESG ratings serve as a key indicator of companies' resilience to environmental and social challenges, governance effectiveness, and overall sustainability performance, factors that are increasingly considered material to financial performance and long-term value creation. Foreign investors, often subject to ESG-related regulations and guidelines in their home countries, view ESG ratings as essential tools for mitigating risks, ensuring compliance with responsible investment principles, and enhancing portfolio performance.

Moving forward, the growing demand for sustainable and impact investing globally has intensified foreign investors' focus on ESG considerations. Companies with high ESG ratings are perceived as more attractive investment opportunities, as they demonstrate a commitment to sustainable growth, stakeholder engagement, and long-term value creation. As a result, foreign investors actively seek out companies with

strong ESG performance, driving capital flows towards sustainable and responsible investments.

Concluding Remarks

The burgeoning importance of ESG (Environmental, Social, and Governance) ratings in India emphasizes a pivotal shift towards sustainable and responsible business practices. These ratings serve as essential benchmarks, guiding investment decisions, fostering transparency, and incentivizing companies to prioritize sustainability. As India's economy continues to grow, there is a critical need for robust ESG frameworks and ratings that reflect the country's unique socio-economic and environmental context. Strengthening regulatory frameworks, enhancing data quality and standardization, and promoting stakeholder engagement are crucial steps towards achieving this goal. Likewise, investing in capacity building and education on ESG integration, embracing innovation and technology, and encouraging long-term thinking will be instrumental in advancing the ESG agenda in India. By fostering a culture of sustainability and responsible governance, ESG ratings can drive positive change, not only within companies but also across industries and society as a whole. Thus, collaboration among stakeholders including companies, investors, regulators, and civil society will be essential for shaping the future of ESG ratings in India. Together, we can leverage the power of ESG ratings to build a more resilient, equitable, and sustainable future for India and its people. As ESG ratings evolve and become increasingly integrated into business decision-making processes, they will play a central role in driving India towards a more sustainable and prosperous path. 

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Packing Sustainability in Everyday Things

Usha Ganapathy Subramanian
Practicing Company Secretary
Chennai

When we take a look at the things around us, sometimes it could make us feel that we are living in a plastic world. From the littlest of things to the biggest of things, plastics or some form of petrochemicals occupy our environment. However, it is also necessary to recognise that petrochemicals including plastics form an important component in modern technology, economic activity and are a ubiquitous aspect of our daily lives. One of the places this proliferation of plastics has happened a lot is in FMCG (Fast Moving Consumer Goods) industry and in e-commerce deliveries. In this edition of Reroute to our Roots, we explore whether we can go back to the good old days of more sustainable consumption patterns.

These days, buying FMCG products, whether be it visiting a store or ordering online, necessarily involves bringing home plastic packaging items, most of which will eventually be thrown away, usually in an unsustainable manner. Even around two decades back, when people visited shops for buying everyday things, they used to bring their own containers or *thookku* (Tamil word for a liquid container) for oils and other liquids, cloth bags or the *manjal pai* (yellow cloth bags that used to be ubiquitous in Tamil Nadu) or the milk container or glass bottles for buying milk and other dairy. The shops used to use old newspapers and jute threads to roll things up into a nice package. Customers used to bring their own “big shopper” bags or baskets to carry them home. Using newspapers does involve concerns of bleeding lead from the printing ink. These days we do see shops switching to recycled paper bags in some cities. Though these too have lead content, they help abate to some extent the problem of refilling the landfills with more wastes. Repurposing old clothes into cloth bags is a creative and eco-friendly alternative.

Straw baskets must make a comeback – they are both functional as well as can be a statement accessory. For inspiration one may look up the Birkin Basket used by Jane Birkin, the person after whom the much-coveted Birkin Bag of Hermès is named.

Shops also used to use gunny sacks made of jute or other natural materials for storing and delivering bulk quantities, but now most are replaced by woven polypropylene gunny sacks. While the modern version has its own advantages, one cannot turn a blind eye to the damage the use-and-discard culture has on the environment.

Many of today’s eateries serve or pack in laminated paper cups or foam bowls or plastic trays. Restaurants those days used *vazhai elai* (banana leaf) or other natural variants to serve and deliver food. Some restaurants do



that these days too. This helps mitigate not only the problem of non-biodegradable wastes, but also prevents microplastics from plastic or laminated plates entering the bloodstream. And what more, we get the nutrients from the leaf as a bonus! In Kerala, the concept of *pothichoru* is prevalent where a banana leaf is heated a little and used for packing lunch. In all these concepts, the leaf would be discarded after eating. The *donnais*,



often seen in the temples of South India, also offer a sustainable variant.

One may ask what is the problem with plastics filling up the landfills? There are many and one of them is in how long the plastics will continue to be there in the landfills. The very advantage of plastic – durability has become a double-edged sword when it comes to sustainability. Case in point: plastic bottles. Plastic bottles can last for 450 years!¹ If one were to imagine how long the timeline is, one can imagine that if the Mughal Emperor Akbar had used a plastic water bottle in his times and it were to be passed on as heirloom, the present generation would still be using it. Even as we try to digest that fact, the irony is that the water in the plastic bottles are “best before” three months! When one is able to appreciate that using long-term funds for working capital purposes is not a healthy practice, they would also be able to appreciate that using super long-term containers for really short-term purposes is very unhealthy and very much unsustainable for the planet. Looks like we are jeopardising the planet that belongs to the posterity for quenching our thirst for an easy and expedient life.

One may also think, isn't plastic being recycled as one gets to see the recycle sign in a lot of places? The United

¹ World Wildlife Fund, (July 1, 2021), “The Lifecycle of Plastics”, <https://wwf.org.au/blogs/the-lifecycle-of-plastics/>, retrieved July 14, 2024.

Nation's Report – “Drowning in Plastics – Marine Litter and Plastic Vital Graphics” published in 2021 says that the global plastic production is 400 mn tonnes each year and it keeps growing at an exponential pace; with only 12% incinerated and 9% recycled, the problem becomes apparent.²

The problem of the water bottles is mostly mitigable if everyone in the world adopts more sustainable practices like carrying a water bottle with water filled at home instead of buying a bottle of water every time. It is better that this water bottle is made of stainless steel or earthen material or an existing plastic one that is durable. Throwing more plastic in the garbage just to get rid of the plastics would just add to the problem. The existing ones can be reused or repurposed as far as possible. Meeting venues, restaurants and other public places offering water could do so by having water dispensers with glasses or tumblers for drinking.

The problem is not just with the water bottles; most plastics take considerable time to decompose. Plastic bags take about 20 years on an average to decompose, and in the process of decomposition, they break into microplastics that are much more harmful as they could

² United Nations (October 21, 2021), “Drowning in Plastics – Marine Litter and Plastic Waste Vital Graphics”. UNEP - UN Environment Programme. Retrieved July 14, 2024. <https://www.unep.org/resources/report/drowning-in-plastics-marine-litter-and-plastic-waste-vital-graphics>

enter ground water, ocean water and the bloodstream. Disposable diapers can last for half a millennium, and so do plastic toothbrushes.³ When we contemplate on these facts, we understand that we really are forsaking the posterity's basic needs for survival for our own need for luxury and convenience. What's more, the marine life forms consume these microplastics as well as the bags and other plastic objects in whole and this has led to a loss of biodiversity in the ocean and river ecosystems.

It is also important to note that plastics have become a common man's commodity and things made of sustainable materials are usually priced for the elite.

Whether it be water bottles or clothes or anything that has a sustainable alternative, one ends up paying more just for the label of "sustainability" or "green" or "organic", when three decades back, those used to be the common-man versions. A purely cotton garment costs more than a polyester one, a stainless-steel container costs much more than a plastic one, an organically-produced fruit costs much more than one that doesn't carry that tag, environment-conscious brands usually charge a premium for their products. Of course, in many cases, the cost of producing the sustainable products may justify the prices, given that over the last two decades much of technology built and the systems set up are not designed to take into account sustainability aspects. Further, with more demand for plastic products and the ability to mass produce them, economies of scale naturally favour the petrochemical versions than the sustainable ones. These factors make plastic versions more affordable than their sustainable peers and hence, make them more preferred and widely used. However, to be able to tackle the sustainability issue, it really is necessary that this situation changes. Would the problem abate if only the crème-de-la-crème, the top 2% of the economy is able to adopt a sustainable lifestyle, while the rest of the world is only able to afford the plastics and keep adding the

indestructible heirlooms to the landfills? A resounding no. However, the top 2% can influence the policies, change the market dynamics and possibly, reverse the plastic trend on a mass scale too.

Even without analysing what has led to this invasion of plastics, we can take action to reduce the extent of the problem, or at least decelerate the pace of the downward spiral, in order that our posterity gets to enjoy at least what we are enjoying at present. Even buying one less plastic bottle is good enough to start with. A single trip to the shop where we take our own bag can help save the landfills of one more bag staying there for 20 years. One



may think someone else would be buying the water bottle or plastic bag anyway, and question what real change it could lead to. But, it helps to realise that it would at least postpone the damage, even if by a few minutes. And, the cumulative effect of the delays would reflect as reduction in plastic consumption over the course of time. By starting with little habits of conscious choices and building them consistently into a sustainable lifestyle and inspiring people around us to embrace the little conscious choices, one can begin a microcosm of changes that would grow and have a profound effect on the posterity.

We will meet with another topic in the next issue.

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³ World Wildlife Fund, (July 1, 2021), "The Lifecycle of Plastics", <https://wwf.org.au/blogs/the-lifecycle-of-plastics/>, retrieved July 14, 2024.

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IFSCA & Sustainability

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President, ICMAI


CMA T C A Srinivasa Prasad
Vice President, ICMAI

SPEAKER

CMA (Dr.) Joffy George
Company Secretary
Kerala State Industrial Development Corporation


CMA (Dr.) Ashish P. Thatte
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Vasudhaiva Kutumbakam Series
16th Webinar

Green Costing

Friday | September 13, 2024 | 4 pm to 5:15 pm

Organised by Sustainability Standards Board (SSB)



CMA Bibhuti Bhusan Nayak
President, ICMAI



CMA T C A Srinivasa Prasad
Vice President, ICMAI

SPEAKER



CMA Subhashish Ghosh
General Manager, ITC Ltd.



CMA (Dr.) Ashish P. Thatte
Chairman, SSB, ICMAI

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Vasudhaiva Kutumbakam Series
17th Webinar

ESG and PSUs

Friday | September 27, 2024 | 4 pm to 5:15 pm

Organised by Sustainability Standards Board (SSB)



CMA Bibhuti Bhusan Nayak
President, ICMAI



CMA T C A Srinivasa Prasad
Vice President, ICMAI

SPEAKER



CMA Ram Ganesh R
Company Secretary
Kerala Financial Corporation



CMA (Dr.) Ashish P. Thatte
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Vasudhaiva Kutumbakam Series
18th Webinar

Corporate Social Responsibility: Regulatory Provisions

Friday | October 11, 2024 | 4 pm to 5:15 pm

Organised by Sustainability Standards Board (SSB)



CMA Bibhuti Bhusan Nayak
President, ICMAI



CMA T C A Srinivasa Prasad
Vice President, ICMAI

SPEAKER



Shri Naman Shah
Director, Deloitte Haskins & Sells LLP



CMA (Dr.) Ashish P. Thatte
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Vasudhaiva Kutumbakam Series
19th Webinar

Overview of Green Battery Concept and its Future in Enhancing Sustainability in India (with Case Studies)

Friday | October 25, 2024 | 4 pm to 5:15 pm

Organised by Sustainability Standards Board (SSB)



CMA Bibhuti Bhusan Nayak
President, ICMAI



CMA T C A Srinivasa Prasad
Vice President, ICMAI



CMA Chandrashekhar Chincholkar
Founder & CEO
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CMA (Dr.) Ashish P. Thatte
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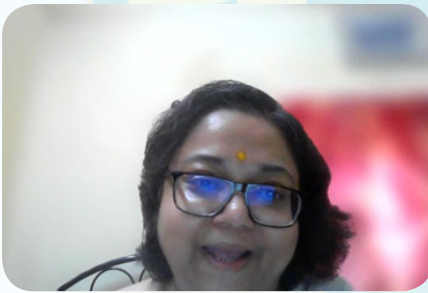
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12th Webinar

Funding Sustainability Measures through bonds

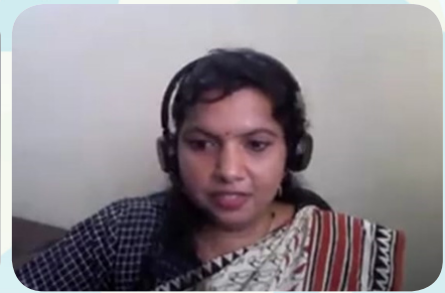
July 12, 2024 from 4 to 5:15 pm



CMA (Dr.) Aditi Dasgupta



CMA Dibbendu Roy



Ms. Usha Ganapathy Subramanian

July 12, 2024 witnessed the Twelfth edition of *Vasudhaiva Kutumbakam* webinar series on a topic which is extremely relevant, yet less explored. The topic of the webinar was "Funding Sustainability Measures through bonds". Ms. Usha Ganapathy Subramanian, Practising Company Secretary, who is also a renowned columnist in various national dailies and an author was the resource person.

CMA Dibbendu Roy, Secretary, SSB, ICMAI welcomed the resource person and the participants and introduced the theme of the webinar. CMA (Dr.) Aditi Dasgupta, Joint Director introduced Ms. Usha to the participants.

Ms. Usha during her deliberations, emphasised the role of bonds in national economy and how it impacts the sustainability. She spoke on the need for the shift of focus to sustainable development and the practical measures which can be thought of while implementing the same. She explained the cost of inaction which had considerable financial repercussions. By giving a global overview of ESG investing, she discussed about various funding options with its pros and cons. She discussed the SEBI Green Bond framework under SEBI (NCS) Regulations 2021 along with sovereign green bonds. She briefly touched upon the regulatory framework and listing of green debt securities. Ms. Usha gave a snapshot on the IFSC regulations pertaining to the subject. Out of rich and varied experience, Ms. Usha explained the entire topic with suitable examples and anecdotes.

The attendance for the webinar was exemplary. The deliberations concluded with a Q&A session where Ms. Usha, out of her rich and varied experience responded to all the queries which were supported with relevant examples and anecdotes.

CMA (Dr.) Aditi Dasgupta summarised the proceedings of webinar and proposed vote of thanks. The participants complimented the efforts taken by SSB in organising such webinars with immense topical relevance.

Sustainable Habits by Indian Households

CMA Dibbendu Roy
Additional Director, ICAI
Mumbai

We Indians are legendary for using a product, reusing it again in a different form and finally it is again recycled for the usage of the family in a different form. We are not ready to accept the adage of use and throw. We use, reuse and further use.



Such habits are inculcated from our childhood through the social fabric of our middle class upbringing. We have the unique mechanism of safeguarding the environment with such sustainable usage of consumables where it is used to the last point.

We also take care of our environment by various practices and rituals in which indirectly we conserve and protect the flora and fauna. One of the ubiquitous examples is that every household keeps a bowl of water outside their rooms/windows which provides succor to animals like cats, dogs and birds like sparrows and crows who drink the water to protect themselves from thirst in oppressive climatic conditions.

We have innovative ways of recycling all our waste including the vegetable waste and using it as a manure for our plants at our terrace or in the courtyard.

All families have the *tulsi* or *neem* trees near their compounds which not only is auspicious as per Indian culture but also acts as an ingredient for various ailments and minor health issues like toothache, minor cuts and bruises.

Previously, when we were not habituated in the “flat” culture and every individual had a house with a big courtyard kept owned pets or domestic animals who consumed our leftovers thus enhancing sustainable living practices. Such sustainable practices had yielded benefits as these livestock provided us with milk and eggs for our sustenance and other animal products like

cow dungs which were further used as a source of fuel.

Indian families always believed to have used the natural sunlight to warm the water which were used in bathing during winters. We always had clay pots which were used to provide cool water in summers.

Indians have always used water in such a way that the waste of cooking water is used in the garden or other places. We have always had a well in our houses which provided ground water whenever required and unnecessary usage of water was safeguarded thus protecting wastage of potable water.

We had the virtues of reusing the clothes which our brothers and cousins outgrew and were provided to the next siblings which was pocket friendly and sustainable in equal manner. Thus, such sustainable living enabled best utilization of resources amongst the family members.

Households who were omnivorous also had the habit of specific days of consuming meat, vegetables and also days of fasting by the members of the households. Thus, feasting and fasting enabled sustainable living and enhanced a balance of consumption.

We know that Sustainable living is the practice of making conscious lifestyle choices that reduces a person’s impact to the environment. Those Individuals who embrace sustainable living philosophies aim to reduce the carbon footprint and thereby conserve Earth’s limited resources.

Our grandmothers used to have solutions to every medical problem we had, in case of a toothache a clove would be useful in reducing the pain. In order to build immunity, we were provided milk with turmeric/*haldi*.



Any child who had an injury or blood loss was provided with protection gears coming from natural sources in form of shrubs. Such practices enabled us to have less exposure to chemicals and enabled less consumption of medicines and supplements.

All beauty secrets emanated from a magic concoction which was done through hidden formula. Such herbal measures impacted the health and were far better than the chemical toxic beauty products which are proliferating in the market having numerous side effects.

The natural benefits of milk, *ghee*, *sandal*, *amla*, aloe vera were known by our seniors and they supplemented them in the daily life as a part of their beauty regimen.


We have to conserve and preserve the ancient knowledge our grandmothers have given us which were highly effective having less pinch in our pockets with no side effects. With increasing exposure of chemicals, we have to bear the brunt of many diseases which were never heard in our earlier times.

The use of camphor in the Indian families had protected our lives from any water contamination or water borne diseases. Modern lives have replaced them with swanky water purifiers which consumes electricity and are high maintenance and thus enhancing pollution and carbon footprint. But as Indians we protected our day to day living with cheap and effective management of resources which were easily available in our daily lives.

Ayurvedic practises were undertaken by each household which protected the lives of individuals and are eco-friendly and result-oriented.

In Ayurvedic teaching the world is clearly regulated: it consists of the five elements space/ether (*Akasha*), air (*Vayu*), fire (*Agni*), water (*Jala*) and earth (*Prithivi*). These forms of energy join together in holistic functional principles and determine everything: from the characteristics of a rock to those of plants, animals and humans. A dynamic equilibrium prevails between the elements. This adapts to the body's needs and functions, which are constantly changing. It is also dependent on external influences: the seasons affect the human state, as does the time of day and a person's age. The five elements combine in pairs to form the three bodily humours (*doshas*): *Vata* (space and air), *Pitta* (fire and water) and *Kapha* (water and earth). The *doshas* are types of energy: they are present in every cell of the body and are responsible for the processes which take place there. *Doshas* form the foundation for all life.

This ancient philosophy endears us with the huge repository of knowledge the Ayurveda provides which are a panacea of today's life.

As it is said we have to reform, perform and transform and inculcate the best practises of yesteryear's to sustain our lives from all problems which have bereft us in our modern fast paced living. Thus, a balanced approach enables us to lead and develop a healthy and fulfilling life. 

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Recent Climate Changes and their Impact on Businesses in India

CMA (Dr.) Aditi Dasgupta
 Joint Director, ICAI
 Kolkata

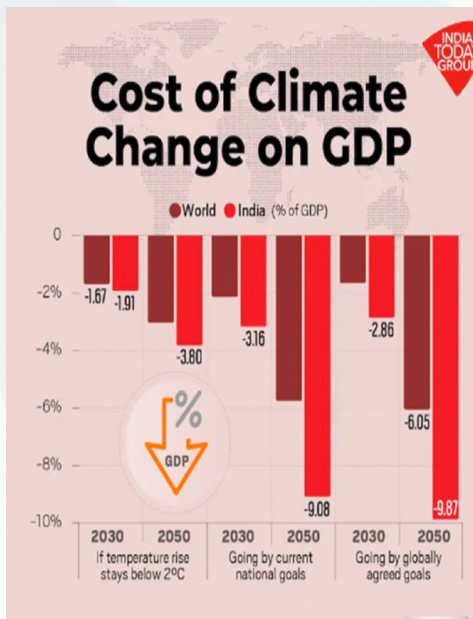
Introduction

Climate change has emerged as one of the most significant global challenges of the 21st century. With rising temperatures, shifting weather patterns, and increasing frequency of extreme weather events, its impact is felt across various sectors. In India, a country with diverse climatic zones and a vast population dependent on agriculture and natural resources, the repercussions of climate change are particularly profound. Economists and policymakers globally are increasingly focusing on mitigating the risks posed by climate change, as it threatens sustainability across various sectors. India, notably among the top 10 economies vulnerable to climate risks, is already experiencing significant impacts from climate change, such as extreme heat, scanty monsoons, floods, and rising sea levels. The Reserve Bank of India (RBI)

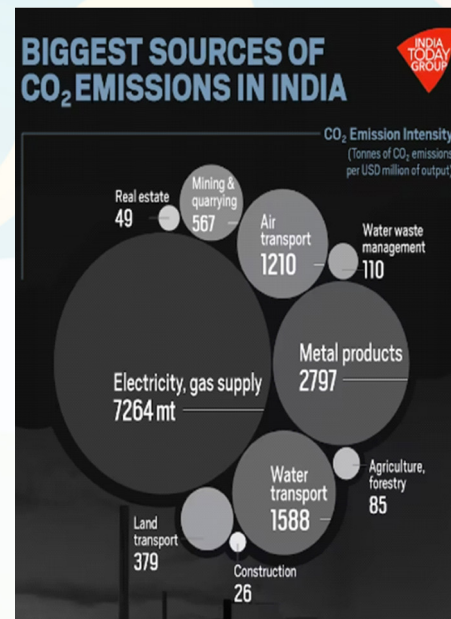
World Bank projects that India could lose 34 million jobs due to heat stress by 2030. In 2019, climate-related events cost India \$69 billion, with floods affecting 14 states and causing significant displacement and deaths.

Globally, the period 2015-22 has been the warmest on record. India faced its hottest February in 2023, with unusual weather patterns causing concerns over crop damage. RBI Governor highlights the challenge of preserving food and energy security amid these extreme events. The RBI and financial regulators are promoting green financing and carbon markets to address climate risks. Annual green financing needs could be about 2.5% of GDP to address infrastructure gaps caused by climate events.

India's Nationally Determined Contributions (NDCs) under the Paris Agreement aim for net-zero carbon emissions by 2070, with goals to increase renewable



estimates that up to 4.5% of India's GDP could be at risk by 2030 due to labor losses from extreme heat. Climate change could cost India 2.8% of its GDP and affect the living standards of half the population by 2050. The



energy and reduce carbon intensity by 2030. The RBI estimates that climate adaptation could cost ₹85.6 lakh crore by 2030. Climate change is already driving food inflation in India, with extreme weather affecting crop

yields and causing price surges in essential vegetables. This has led to broader economic implications, including weakened growth and higher inflation. Rising global food and oil prices further exacerbate India's vulnerability, highlighting the interconnected nature of global climate impacts. India is facing growing threats from climate change, with significant temperature increases impacting the summer monsoon, leading to less frequent but more intense rainfall, causing both droughts and floods. These changes have adversely affected agriculture, leading to reduced crop yields and other economic impacts. For example, tea production in South India dropped by 12% in 2016 due to drought, and a coal power plant in West Bengal had to shut down for 10 days due to water shortages.

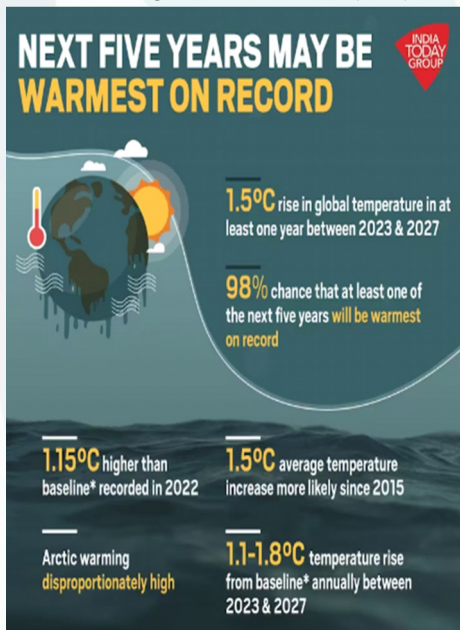
Businesses reported direct impacts from poor monsoons, water shortages, and rising procurement costs. There is a strong belief that fossil fuel use contributes significantly to climate change. Concerns extend to how climate change will affect customers and the broader economy, with potential impacts on consumer behavior and sales.

This article explores recent climate changes in India and their multifaceted impact on businesses, highlighting both challenges and opportunities.

Recent Climate Changes in India

Rising Temperatures

India has witnessed a significant increase in average temperatures over the past few decades. According to the Indian Meteorological Department (IMD), the country



has experienced a warming trend of 0.7°C between 1901 and 2018. This rise in temperature is not uniform, with

some regions experiencing more pronounced warming than others.

Changing Rainfall Patterns

Rainfall patterns in India have become increasingly erratic. The monsoon season, which is crucial for the country's agriculture, has seen shifts in onset and withdrawal timings. Moreover, there is an increasing frequency of heavy rainfall events, leading to floods in some areas while other regions face prolonged dry spells.

Extreme Weather Events

The frequency and intensity of extreme weather events such as cyclones, floods, and droughts have risen. For instance, the number of cyclonic storms in the Arabian Sea has increased, posing significant threats to coastal regions. Additionally, heatwaves have become more common and severe, impacting human health and productivity.

Impact on Agriculture

Crop Yields and Productivity

Agriculture, which employs nearly half of India's workforce, is highly vulnerable to climate change. Rising temperatures and changing rainfall patterns affect crop yields and productivity. For example, heat stress during the growing season can reduce the yields of staple crops like wheat and rice. Similarly, erratic rainfall can lead to water stress, impacting crop growth.

Shift in Crop Patterns

Farmers are increasingly shifting to climate-resilient crops and varieties to cope with changing climatic conditions. For instance, there is a growing preference for drought-resistant crops in regions prone to water scarcity. However, these shifts also require significant investment in research, development, and extension services.

Financial Stress

The uncertainty in agricultural output due to climate variability leads to financial stress for farmers. Crop failures and reduced yields result in income losses, exacerbating the existing challenges of rural indebtedness. This financial strain can have a ripple effect on businesses that rely on agricultural produce, such as food processing industries.

Impact on Water Resources

Availability and Quality

Climate change is altering the availability and quality of water resources in India. Glacial melt in the Himalayas, changing precipitation patterns, and increased evaporation rates are affecting the flow of rivers and the levels of groundwater. This has serious implications for industries that depend on water, including agriculture, manufacturing, and energy production.

Water Conflicts

With water becoming an increasingly scarce resource, conflicts over its allocation are intensifying. Businesses, particularly those in water-intensive sectors, face challenges in securing reliable water supplies. This can lead to increased costs and operational disruptions.

Impact on Energy Sector

Energy Demand

Rising temperatures are driving up the demand for energy, particularly for cooling. This is putting additional pressure on the energy infrastructure, leading to increased costs for businesses and consumers alike.

Renewable Energy Opportunities

On the positive side, climate change is accelerating the transition to renewable energy sources. India has set ambitious targets for solar and wind energy, presenting significant opportunities for businesses in the renewable energy sector. Investments in clean energy can also mitigate the risks associated with fossil fuel dependence and carbon emissions.

Impact on Infrastructure

Vulnerability to Extreme Events

Infrastructure, including roads, bridges, buildings, and ports, is vulnerable to extreme weather events. Floods, cyclones, and storms can cause significant damage, leading to increased maintenance and repair costs. Businesses must invest in resilient infrastructure to mitigate these risks.

Supply Chain Disruptions

Extreme weather events can disrupt supply chains, affecting the flow of goods and services. For instance, floods can damage transportation networks, while cyclones can halt port operations. Businesses need to develop robust contingency plans to manage such disruptions.

Impact on Health and Productivity

Heat Stress

Rising temperatures pose a significant risk to human health and productivity. Heat stress can lead to health issues such as heat exhaustion and heatstroke, particularly for outdoor workers. This can result in increased absenteeism and reduced productivity, impacting businesses across various sectors.

Vector-Borne Diseases

Climate change is also influencing the spread of vector-borne diseases like dengue and malaria. Changes in temperature and rainfall patterns can expand the habitats of disease vectors, leading to higher incidence rates. Businesses may face increased healthcare costs and productivity losses due to these health impacts.

Regulatory and Policy Implications

Stricter Environmental Regulations

In response to climate change, the Indian government is implementing stricter environmental regulations. Businesses must comply with regulations related to emissions, waste management, and resource use. Non-compliance can result in penalties and reputational damage.

Incentives for Sustainable Practices

The government is also providing incentives for businesses to adopt sustainable practices. For instance, there are subsidies for renewable energy installations and tax benefits for green initiatives. Businesses that proactively embrace sustainability can gain a competitive edge and reduce their environmental footprint.

Adaptation and Mitigation Strategies

Investment in Research and Development

To address the challenges posed by climate change, businesses must invest in research and development (R&D). This includes developing climate-resilient crops, improving water-use efficiency, and innovating in renewable energy technologies. R&D investments can lead to long-term benefits and enhance business resilience.

Diversification of Supply Chains

Diversifying supply chains can help businesses manage the risks associated with climate-related disruptions. By

sourcing materials and products from multiple suppliers and regions, businesses can reduce their vulnerability to localized extreme weather events.

Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) initiatives focused on climate change can enhance a company's reputation and contribute to sustainable development. Businesses can engage in community-based climate adaptation projects, support reforestation efforts, and promote environmental awareness.

Case Studies

Agriculture: ITC Limited

ITC Limited, one of India's leading conglomerates, has adopted several climate-resilient agricultural practices. Through its e-Choupal initiative, ITC provides farmers with access to real-time weather information, market prices, and agronomic advice. This helps farmers make informed decisions and improve their resilience to climate variability.

Renewable Energy: Tata Power

Tata Power, a major player in India's energy sector, has made significant investments in renewable energy. The company has set ambitious targets to increase its renewable energy capacity and reduce carbon emissions. Tata Power's initiatives include large-scale solar and wind projects, contributing to India's clean energy goals.

Water Management: Hindustan Unilever

Hindustan Unilever, a leading FMCG company, has implemented comprehensive water management strategies. The company focuses on reducing water usage in its operations and promoting water conservation in the communities where it operates. Hindustan Unilever's initiatives include rainwater harvesting, watershed management, and sustainable agriculture practices.

Opportunities for Businesses

Green Technologies

The transition to a low-carbon economy presents opportunities for businesses in the green technology sector. This includes renewable energy, energy efficiency, electric vehicles, and sustainable agriculture technologies. Companies that innovate in these areas can tap into new markets and drive economic growth.

Climate Finance

Climate finance is emerging as a critical area for investment. Businesses can explore opportunities in green bonds, climate funds, and sustainable finance. Access to climate finance can support the development and implementation of climate-resilient projects.


Collaboration and Partnerships

Collaboration and partnerships are essential for addressing the complex challenges of climate change. Businesses can partner with governments, NGOs, research institutions, and other stakeholders to develop and implement effective climate strategies. Collaborative efforts can lead to shared resources, knowledge, and expertise.

Conclusion

Climate change poses significant challenges and opportunities for businesses in India. Rising temperatures, changing rainfall patterns, and extreme weather events impact various sectors, including agriculture, water resources, energy, infrastructure, and health. Businesses must adapt to these changes through investment in research and development, diversification of supply chains, and adoption of sustainable practices.

By embracing climate resilience and sustainability, businesses can not only mitigate risks but also unlock new growth opportunities. Green technologies, climate finance, and collaborative partnerships are key areas for innovation and investment. Ultimately, proactive and strategic responses to climate change will determine the long-term success and resilience of businesses in India.

As India continues to navigate the complexities of climate change, businesses that lead the way in sustainability and resilience will be better positioned to thrive in an increasingly uncertain world. 

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3. www.indiatoday.in

Chola Dynasty and Environmental Sustainability

CMA (Dr.) Aditi Dasgupta
Joint Director, ICAI
Kolkata

The Chola Dynasty, which reigned over southern India from the 9th to the 13th centuries, is renowned not only for its administrative and cultural achievements but also for its forward-thinking approaches to environmental sustainability. This dynasty demonstrated a sophisticated understanding of natural resource management, which contributed to their prosperity and the longevity of their rule.



One of the most notable aspects of Chola environmental sustainability was their advanced water management systems. They constructed extensive irrigation networks, including tanks, reservoirs, and canals, to ensure efficient water use for agriculture. The Grand Anicut (Kallanai), built by Karikala Chola on the Kaveri River, stands as one of the oldest water diversion structures in the world and exemplifies their ingenuity. These irrigation systems facilitated large-scale farming and helped maintain water availability throughout the year.

In addition to water management, the Cholas implemented sustainable agricultural practices. They promoted crop rotation and mixed farming, which helped maintain soil fertility and reduce pest infestations. Land grants, known as brahmadeya, were issued to Brahmins and temples, encouraging the cultivation of diverse crops and the preservation of local plant species. These practices ensured that the agricultural productivity of the region remained high without depleting natural resources.

The Cholas also recognized the importance of forest management and the protection of biodiversity. They designated certain forest areas as sacred groves, which were protected from deforestation. These groves played a crucial role in maintaining ecological balance and preserving biodiversity. The exploitation of forest resources, such as timber, was regulated to prevent

over-exploitation and ensure the sustainability of these resources.

Urban planning during the Chola period reflected a keen awareness of environmental sustainability. Cities and towns were designed with green spaces, gardens, and parks, contributing to the ecological health of urban areas. Effective waste management and sanitation systems were implemented to minimize pollution and maintain public health.

These measures ensured that urban growth did not come at the expense of environmental quality.

Chola architecture and material use also demonstrated a commitment to sustainability. They utilized locally available and eco-friendly materials for construction, ensuring the longevity and durability of their buildings. The temples, which remain architectural marvels today, were built using sustainable techniques that have stood the test of time. Their buildings were designed to be energy-efficient, making optimal use of natural light and ventilation.

Marine and coastal management was another area where the Cholas showed their environmental foresight. They promoted sustainable fishing practices to ensure the long-term viability of marine resources. The establishment of ports along the Coromandel Coast facilitated maritime trade without harming coastal ecosystems.

The Chola Dynasty's approach to environmental sustainability was deeply intertwined with their social, economic, and religious life. Their practices ensured the prosperity and stability of their kingdom, making them pioneers of sustainability in their era. While their methods may differ from modern practices, the principles of resource conservation, ecological balance, and sustainable development that they upheld remain relevant and valuable today.



Part III – Plagiarism-Proofing: Consulting and Honouring the Sources of Information

Writing could be for various purposes and take various forms. For example, it could be a creative pursuit taking the form of poetry or literature. It could be sharing one's own insights, ideas, opinion or appreciation of events, concepts or persons. One could write to inform the world about the details of an event or a phenomenon, let's say, climate change, or a piece of law or the course of action to be taken, and so on. This is where the writer himself would be referring to various sources of information to enrich his own knowledge and also to present important facts to the readers.

We will explore in this part of the series when to consult various sources, the matters to be considered while referring to various sources, being objective and reducing bias while presenting information avoiding plagiarism, honouring the sources of the data by crediting them appropriately, and also explore the ethical aspects of paraphrasing other works.

Presenting facts vs. presenting opinions and ideas:

At the outset, it may be useful to discern whether any statement the author sets to write is his own or someone else's opinion or idea or a fact. If it is his own opinion or idea, it does not need any citation or referencing. However, if it is someone else's statement or a fact, appropriate citation is necessary. If it is one's own opinion, it may be better that it is clearly presented as an opinion. For example, if the article is in first person, "I or We are of the opinion that" or "I think that", and so on. If the article is in the third person, "One can arrive at an opinion that..." or "It may be considered that..." Or, it can be done in a manner that suggests that the statement may not be the only truth by using the word "may" or "would" to dilute any sense of certainty or absoluteness. For example, if the author is not sure that global warming can be reversed and he is not in a position to refer to authoritative sources on this, he may simply say, "Reversing global warming may not be possible," using the word "may" or "would" instead of "is" or "will". If the author believes that something is a fact and has made

up his mind that on that, looking for appropriate sources to back the fact would be appropriate. This is not about proving to the readers whether the author is right but it would be a good opportunity to understand deeper about the concept. This would also enable presenting the relevant sources of information to the readers in order that they may be able to delve further into the literature to enrich their knowledge.

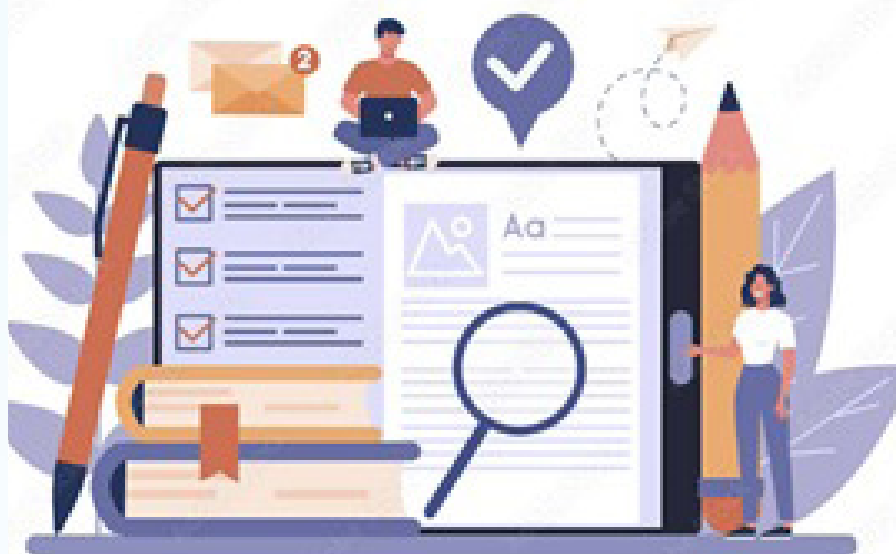
Factors to be kept in mind while consulting various sources:

Consulting sources of information presented as facts should be done with due care and diligence. The source the author uses for informing himself must be an authentic authority on the subject matter – like an international body or a regulator or the Government or a scientific research foundation or an institution of repute, which concerns itself with or is related to the subject matter. Referring to the primary sources of information would be a great way to add authenticity to the article. By primary source, we mean the original person who collected, collated and presented the data or who came up with the concept. For example, if the article is on sustainable development goals (SDGs), referring to the website of the United Nations (UN) will be simple, more authentic and reliable than an article that summarises or quotes the UN's SDGs. While referring to a provision of any law, referring to the bare text of the Act or Rule or Regulation is a necessity. Relying on third-party articles for the content of a particular provision of law must be avoided. The third-party articles can be good sources for understanding the varied interpretation of the subject matter but not what the text of the law actually contains. Whether the source being referred to is the latest version of the document or concept must be ascertained.

Presenting the full picture objectively:

It is ideal that all relevant data on the subject matter be presented as far as possible within the scope of the context and other considerations. And whatever data is gathered must be presented in an unbiased manner,

Writing and Editing



without exaggerating or minimizing the effect of the data. It would speak to the integrity of the author if he presents even those data that he does not agree with or those that do not support his views. However, in such cases, the author may add that he does not agree with the data or that he acknowledges that they are contradictory to his views to add to the integrity level of the writing.

Understanding Plagiarism:

Plagiarism is the act of presenting someone else's work or ideas as one's own and without proper attribution or permission. Plagiarism could arise when quoting or even while paraphrasing someone else's work without attribution, or reusing one's own previously published work, or piecing together information from various sources without attribution or not crediting the source in an appropriate manner. It is unethical, violative of intellectual property rights and could have severe legal and reputational consequences.

Quoting another person or from other works:

When a person's words or text from a source are reproduced verbatim, that is, word-for-word, it is necessary that there is a clear representation of this fact along with the source. For example, "In their seminal paper (name of the work), (the names of the authors) have eloquently described (the subject matter) thus: "(exact words used in the work)". This can be termed as quoting a source with in-text citation. It is important that if the text is taken verbatim, it must be presented as taken and quoted from a particular source along with the

usage of quotation marks along with citation in footnotes, with preferably with in-text citation. It should not merely be presented in the bibliography or references without indicating which portion of the text is quoted verbatim. Further, certain sources/websites themselves clearly say how their data or article must be cited, and this must be respected. Data presented from a particular source, even if not presented verbatim, must follow the same rule.

Paraphrasing other works:

There's a thin line beyond which consulting a source and writing one's thoughts could become

plagiarism. If the author has retained the key words, used synonyms for the key words, retained the logic of the source consulted, he has merely paraphrased the work and if he presents this as his own, it is being viewed as plagiarism. With the presence of online tools these days, the ease of paraphrasing has increased. Irrespective of whether the paraphrasing has been done manually or by the tools, and irrespective of whether a plagiarism detection tool is able to spot it or not, paraphrasing without attribution is unethical. The line between mere paraphrasing and presenting one's own understanding after appreciating the work of another is thin but is not hard to spot. The latter would lack the individual flavour, which would unmistakably emanate from the latter. One's own ideas, no matter how similar it is to another, would have its own voice. It must anyway be remembered that where some literature has been referred to by the author for his article but has not been quoted verbatim or used for presenting data, this too should ideally be listed under bibliography.

Crediting the sources with appropriate citation:

The golden rule of honouring the sources is by giving credit to them in an appropriate manner. Whenever someone's words are quoted, or other work is paraphrased, or information or table or figures from some source is given as such or with modifications, it is necessary to include the source in the citations. There are standard international practices for presenting the citation like American Psychological Association (APA)

style, Chicago Style, etc. The practices followed by the publication to which the article is submitted must be adhered to.

Some terminologies used in citations:

In-text citation:

This involves mentioning the source in the very sentence containing the information from that source. This is required in many international styles. For example, as per APA, for an in-text citation, the author's name and year of publication could be given in brackets or in the narrative of the sentence.¹ For example, "As per the Author Name (year)..."

References:

This is the list of citations in the article. All in-text citations and those in the tables, figures, footnotes, etc. must be here. It must contain have the full details of the source. Depending on the type of source referred to, that is, a book, magazine, newspaper, website, the way in which the source is cited would vary. For example, if it is a website, the citation may contain the names of the authors, the title of the article, publication title, the link and the date when the link was last accessed by the author for the purpose of the article.² Many sources spell out how the citation must be given – as part of the terms and conditions or terms of use or otherwise. This must be strictly adhered to.

Footnotes:

If there is some table, figure, quote or statistical data presented, the link could be given as a footnote along with appropriate citation. Adding the full citation as a footnote can help the readers understand the sources even as they read the article. This can be used for sources that have been specifically referred to in respect of a particular information. It must be kept in mind that following the international best practices and the ones preferred by the publication in respect of this practice is important.

Bibliography:

This is a more comprehensive collection of references – including those mentioned within the article as well as the sources that have generally been referred to by

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the author while preparing for the article. Whether this is accepted depends on the style followed.

Some handy phrases:

Wherever the list of authors is more than three, the phrase *et al* (meaning "and others") may be used after the first author's name in the in-text citation. This is accepted in APA style. The phrase *ibid.* (being short for *ibidem*, which means "in the same place", it is followed by a dot) can be used to refer to the same source that is mentioned in the previous citation. If it is in a different page using it with a comma and the page number is what is generally accepted. Using *ibid.* is not accepted in APA because the in-text citation format itself is short, but permitted in some others. Here again, the style format followed by the publication needs to be referred to.

Learning from various sources is a fulfilling process. Citing the sources appropriately is not just a legal necessity but also a beautiful gesture that acknowledges the knowledge gained by the author from the source and demonstrates the respect the author holds for the source.

We will meet again in yet another edition of this series next month. And until then, the materials provided in the bibliography could enlighten the readers more on the topic.

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Go Green” is the slogan for India’s first Water Metro System, launched in Kochi on the southwest coast of India. This innovative transport system uses the city’s extensive network of canals, waterways, and backwaters to move people across ten islands and the mainland. The Water Metro operates using electric and solar-powered hybrid ferries, making it environmentally friendly and sustainable.

DO YOU KNOW?

Kochi, a major commercial hub, has traditionally used its waterways for transport, but the old boat and ferry services were irregular, unreliable, and polluting. Launched in 2023, the Water Metro aims to connect all islands with fast, electrically propelled hybrid ferries, reducing traffic congestion and offering faster commutes compared to road networks. The system provides passengers with comfort and convenience, featuring air-conditioned and spacious boats with large windows for scenic views.

The Water Metro stations maximize natural lighting and ventilation. Kochi is the first Indian city with both a Metro on land and on water, ensuring close integration of transport systems. Each boat station is near a bus stand or metro station, and a common card is available for all transport facilities. The Water Metro aims to source 100% of its electricity from renewable sources through solar PV installations.

This Water Metro is transforming urban transportation by addressing the environmental impact of road transport. By introducing electric mobility to water, Kochi has pioneered sustainable transportation, offering a model that can be replicated in other urban cities with navigable waters.



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1. The expanded form of CSRD which mandates Sustainability reporting for companies in EU is _____.
2. Energy Intensity is one of the five crucial ESG _____.
3. Entities focusing on Waste Management increasingly adopt _____ principles to implement better recycling.
4. BRSR is sector _____.
5. According to the Water Footprint Network's ranking, the country with the largest water footprint per capita in the world is _____, with an estimate of 10,000 litres of water per person per day

WINNER	
Sl. No.	NAME
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Congratulations to the Winner!

CORRECT ANSWERS OF PREVIOUS QUIZ

1. Marine heatwaves	2. USD 8.8 billion	3. January 1, 2024	4. Mitigation	5. 6 (six)
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The names of first 5 participants giving correct responses will be declared in the ensuing newsletter.

The responses may be sent to ssb.newsletters@icmai.in

Call for articles

Sukhinobhavantu is inviting articles on the theme ESG/ Sustainability or related themes for publishing in August'2024 edition. The articles should be relevant and original. The article should clearly cover/depict the scope, opportunity and potential for cost accountants. It should not exceed 1500 -1800 words and references/ sources are to be given wherever required. It should reach us latest by August 10, 2024, by email to ssb.newsletters@icmai.in The right for selection of articles vests with SSB. Decision of SSB will be final and binding.

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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