VIDARBHA INDUSTRIES ASSOCIATION

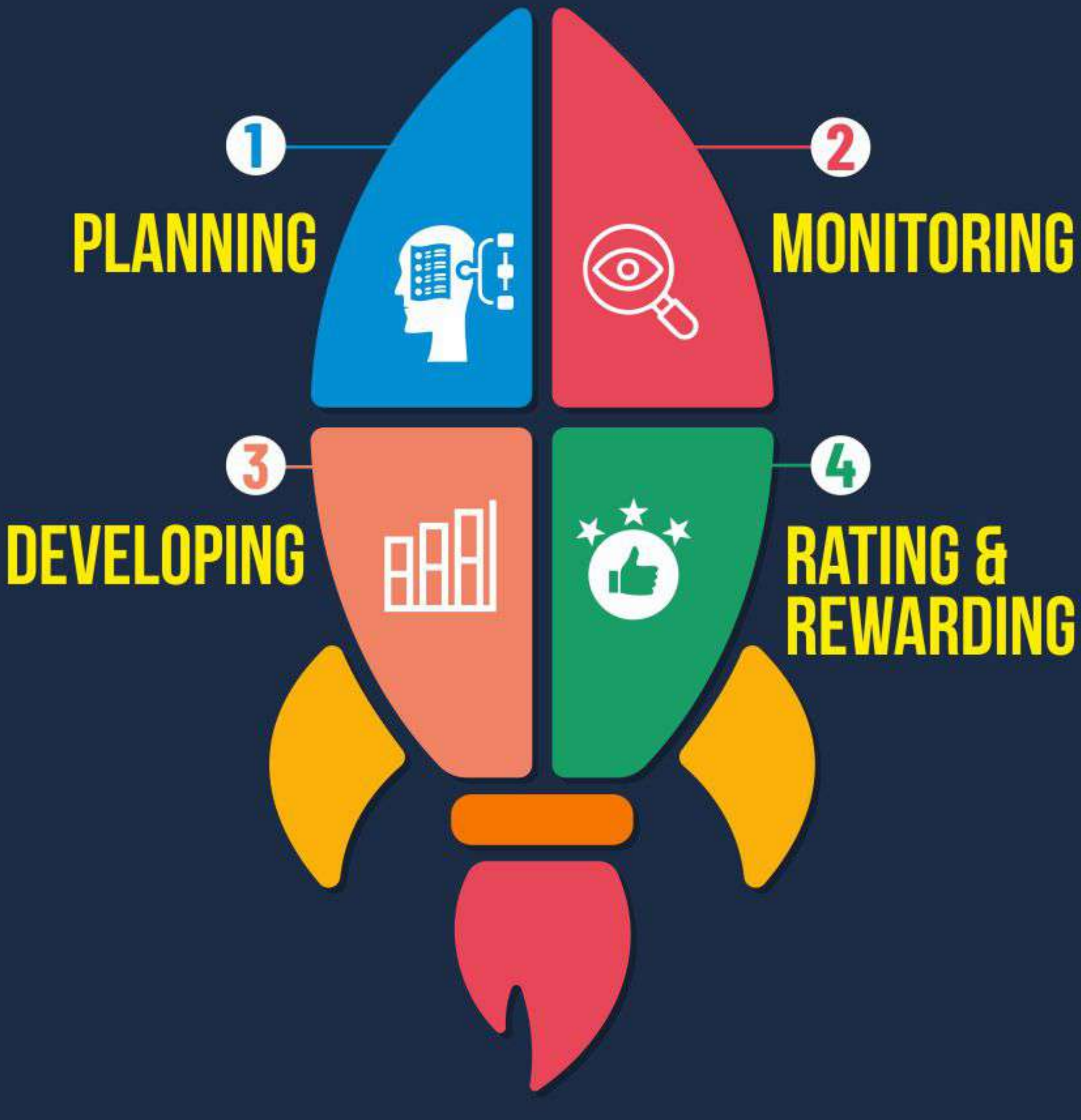
JANUARY 2025

ENTERPRISE

A MONTHLY BULLETIN PUBLISHED BY VIDARBHA INDUSTRIES ASSOCIATION

BUILDING BRILLIANCE

THE POWER OF PERFORMANCE MANAGEMENT



PRESIDENT'S MESSAGE

Dear Readers,

As we step into the new year, I extend my warmest wishes to each and every one of you. May this year bring you unparalleled success, happiness, and growth. As we bid adieu to 2024, I must say it's been an eventful year, filled with challenges and opportunities. We've witnessed significant advancements in technology, shifting market trends, and evolving customer expectations.

In this dynamic business landscape, it's imperative for organizations to adapt, innovate, and optimize their operations to stay ahead of the curve. This is where performance management plays a vital role. Our inaugural topic for this year, "From Good to Great: Transforming Efficiencies through Performance Management," highlights the significance of this critical business function.

Performance management is no longer just about evaluating employee performance; it's about creating a culture of continuous improvement, innovation, and growth. By setting clear goals, measuring progress, and providing constructive feedback, organizations can unlock their full potential, drive efficiencies, and achieve sustainable success.

In today's fast-paced business environment, organizations must be agile, responsive, and adaptable to changing market conditions. Performance management enables businesses to respond quickly to emerging trends, identify areas for improvement, and make data-driven decisions to drive growth.

This edition of Enterprise explores the various facets of performance management, including strategic planning, performance metrics, employee engagement, and technology-enabled solutions. Our contributors share valuable insights, best practices, and real-world examples to help organizations transform their efficiencies and achieve greatness.

As we embark on this journey of exploration and discovery, I invite you to join us in our quest for excellence. Let's work together to create a culture of high performance, innovation, and growth.

Once again, I wish you a happy and prosperous new year. May this year bring you joy, success, and fulfillment in all aspects of your life.Thank you for your continued support and readership.

Sincerely,
Vishal Agrawal
VIA President

VISION

To promote Vidarbha as a preferred investment destination and create conducive environment for socio-economic growth through industry and services

MISSION

To act as a catalyst between various stakeholders and authorities.

To create harmonious environment for accelerated industrial growth.

To provide a united platform for policy advocacy at all levels.

To create, nurture and develop entrepreneurship and business leadership

To enhance managerial and technical competency for excellence

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SECRETARY'S MESSAGE

Dear Readers,

As we embark on a new year, filled with promise and opportunity, I'm delighted to reflect on the past month's activities at VIA. December 2024 has been a remarkable month, marked by several significant events that have further strengthened our commitment to promoting business growth, innovation, and sustainability.

Our VIA EXIM Forum hosted an interactive session on Maharashtra's Export Policy 2023 and Logistics Policy 2024, highlighting the state's export and logistics potential. We also organized a Capacity Building Programme under the RAMP Project, empowering women entrepreneurs by enhancing their business knowledge and promoting growth.

In addition, we hosted the C&I Clean Energy Meet, promoting the adoption of solar energy, and organized a tax awareness session on the Black Money Act 2015 and Foreign Assets Reporting. Our 15th edition of the Tax Awareness Session, "Chhoti Chhoti Batein Tax Ki," provided valuable insights to taxpayers.

Notably, Maharashtra has got a stable and decisive government under Vidarbha's very own bhoomiputra, Hon'ble Shri Devendra Fadnavis. This will be highly beneficial for the overall growth scenario of Vidarbha.

As we move forward, our focus will be on making VIA more tech-savvy, leveraging technology to drive growth, innovation, and sustainability. We will continue to organize events, workshops, and sessions that promote knowledge sharing, networking, and business growth.

Thank you for your continued support, and I wish you a happy and prosperous new year.

Warm regards,
Prashant Mohota
Hon. Secretary, VIA

EDITOR'S MESSAGE

Dear Readers,

As the calendar flips to a new year, I hope this edition of VIA's Enterprise finds you refreshed, revitalized, and ready to tackle new challenges. The start of a new year is always a time for reflection, and I'm delighted to share with you the exciting lineup of articles in our January issue.

We begin with a thought-provoking guest article by Dr. Tejinder Singh Rawal, titled "Taxing Tensions: The Nestlé Case and India-Switzerland Face-off." This article delves into the complexities of international taxation and the implications of the Nestlé case on India-Switzerland relations.

Next, we have Dr. Smita Singh (Dabholkar) sharing her insights on effective management practices in her article "Management Matters 'Uski saree meri saree se safed kaisi?'

"CA Hemant Lodha's article, "Micro Management vs. Macro Leadership: Navigating the Spectrum of Management," offers valuable perspectives on leadership and management styles.

Our regular feature, "The TAX Talk," returns with CA Naresh Jakhotia's informative article, "What PAN 2.0 Means for You: Top 10 Takeaways for Taxpayers."

Finally, Payal Bhalinge sheds light on the importance of Corporate Social Responsibility (CSR) and key compliances in her article.

I'm grateful to our contributors for sharing their expertise and insights with us. I hope you find this edition informative, engaging, and inspiring.

Happy reading!

Best regards,
Aditya Saraf
Editor

CREATING HIGH-PERFORMING-ORGANIZATION

MANOJ RAJIMWALE
Principal HR Consultant
(to various organizations)

With the advent of digitization and technological advancement the business organizations are facing change management challenges and cultural environment across industry verticals. It is proved time and again that the only thing that differentiate a high performing organization from its competitors is the quality of people it has and their ability to produce exemplary performance that is desired by the business. However, acquiring quality talent from job market and enabling employee to produce the same level of competence in a newer organization is a matter of challenge. Organizations which enable employee to produce the same level of quality performance distinguishesthem from the rest to be a high performing organization. The special efforts that are needed is involving people into every aspect of the organization – building i.e. vision, mission, strategy & execution plan. The high – performing – organizations provide time, resources and freedom to the employees to experiment and produce unique results which directly contributes to the bottom – line of the organization.

Building High Performing Work Culture

To create a high performing or a world class organization you need to influence the fundamental source of competitive advantage – its human capital. Organizations are thus realizing the need to create a performance – oriented work culture that maximizes the potential of each employee. The best way to describe the culture is to create, develop and sustain an environment where people are empowered, protected and embraced by the organization. The organization must ensure that the culture which is captured and formalised shall work well across the organization. Establishing a culture implies identifying the practices which are consistent with human nature and taking out the best in people. The organization bound to develop and implement programs that ensure happiness at workplace and also make sure that synchronizes the growth and change.

Establishing Expectations for employees

Managing employee performance is the most challenging facet for a manager because it is about expecting performance from an employee and often finding the employee's performance gaps vis – a – vis the expectations. However, employees often say that they are unclear of what their manager really expects. One needs to explore why there is often a difference between what the manager expects and the employee delivers. It is imperative for the organization to look at the expectations are well cascaded from the strategy & execution plan and how far it is really measurable and what will be its impact on to the business & finally the bottom – line. The clear definition of expectations with measurement criteria and enabling performance by providing required resources can differentiate an average performer from an excellent performer.

Make People Work with fire in their bellies

Creating passion for the job role and the organization is beyond evaluating employee performance as a regular ritual. The organization need to be more concerned about opening up employees and connecting with team to think deep into their job role and deliberate to evolve new ideas and thoughts. Unfortunately, organizations find it risky since passionate employees who think completely out of box beyond set rules and policies are not encouraged and termed as impulsive as they may digress from the organization philosophy. The organization needs to boost the morale by making them excited and be enthusiastic about their jobs, resist distractions, tend to forget about time and produce significantly more than what job requires. The passionate employees even influence others to perform better. They enjoy searching for ways to improve circumstances and they volunteer for difficult assignments. They also encourage others to reach higher levels of performance. We have to make them aware that they are part of the mission and how they will make it possible to build an incredible organization.

Improve the level of engagement in your organization

Employee engagement need to aim at emotional connect of the employee with the organization and the domain of their job role. The focus of the organization should be on employee's passion, excitement, and deep commitment to work. In an organization, it is clear that not every employee has the same passion and energy about their work. However, the passion can be developed by engaging dialogue and listening to the employee's concern and keep helping to resolve their issues and clarify the organization's view positively. Developing engagement culture will only help organization to work on the strategy with the help of the motivated employees who can go beyond the call of duty. The critical step to improve engagement is to trust your people and empower them with authority to take new initiatives.

Demonstrate Appreciation

One of the most important qualities for motivating people is the honest and sincere appreciation. Sincere thanks never grow old. Ongoing meaningful rewards and recognition provide an effective way of raising morale and encouraging higher levels of performance. There are several ways to develop your employee appreciation & recognition program which can be embedded into your everyday work. Decades of employee research shows that appreciation is one of the greatest motivators. The kind of goodwill created by such gestures translates into tremendous synergy and the excitement among people. Exhibiting sincere appreciation is a no-cost, high return practice. Not showing appreciation is a high-risk behaviour for companies exerting to retain talented people particularly in the current volatile job market.

Employee Retention – Love them or Lose them

The organization shall make plan to retain their key employees who are critical to the long – term growth and success of their business. It is the main responsibility of managers to retain best employees to ensure business success. If the leadership start practicing this in their day to day working, they will be able to retain their best people for long time. The organizations have realized that they need to have an effective employee retention plan which will help them sustain their leadership and growth in the marketplace. Good organizations make employee retention a core element of their talent management strategy and organizational development process. Those who fail to make employee retention a priority are at risk of losing their top talent to the competition. If employees feel safe, they will tell you what's in their minds. The work culture of organizations should be developed in such a manner that people can build trust and be open for a meaningful dialogue.

Conclusion

Creating high performing organization is a multidimensional process. It's important for any organization to articulate the vision & mission and long – term strategy can be cascaded and aligned with performance metrics and leadership development. The organizational alignment is important for designing the high – performance – architecture. It is also important to have total involvement for excellent execution of the plan. Organizational leaders are also required to adapt to new concepts and understanding of high performance and keep themselves abreast of the contemporary practices prevalent across the industry verticals. We need to benchmark enduring organizations for their ability to perform at a high level continuously for years together. Such organizations will always be worth studying because they have much to teach us.

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PERFORMANCE MANAGEMENT FOR TODAY & TOMORROW

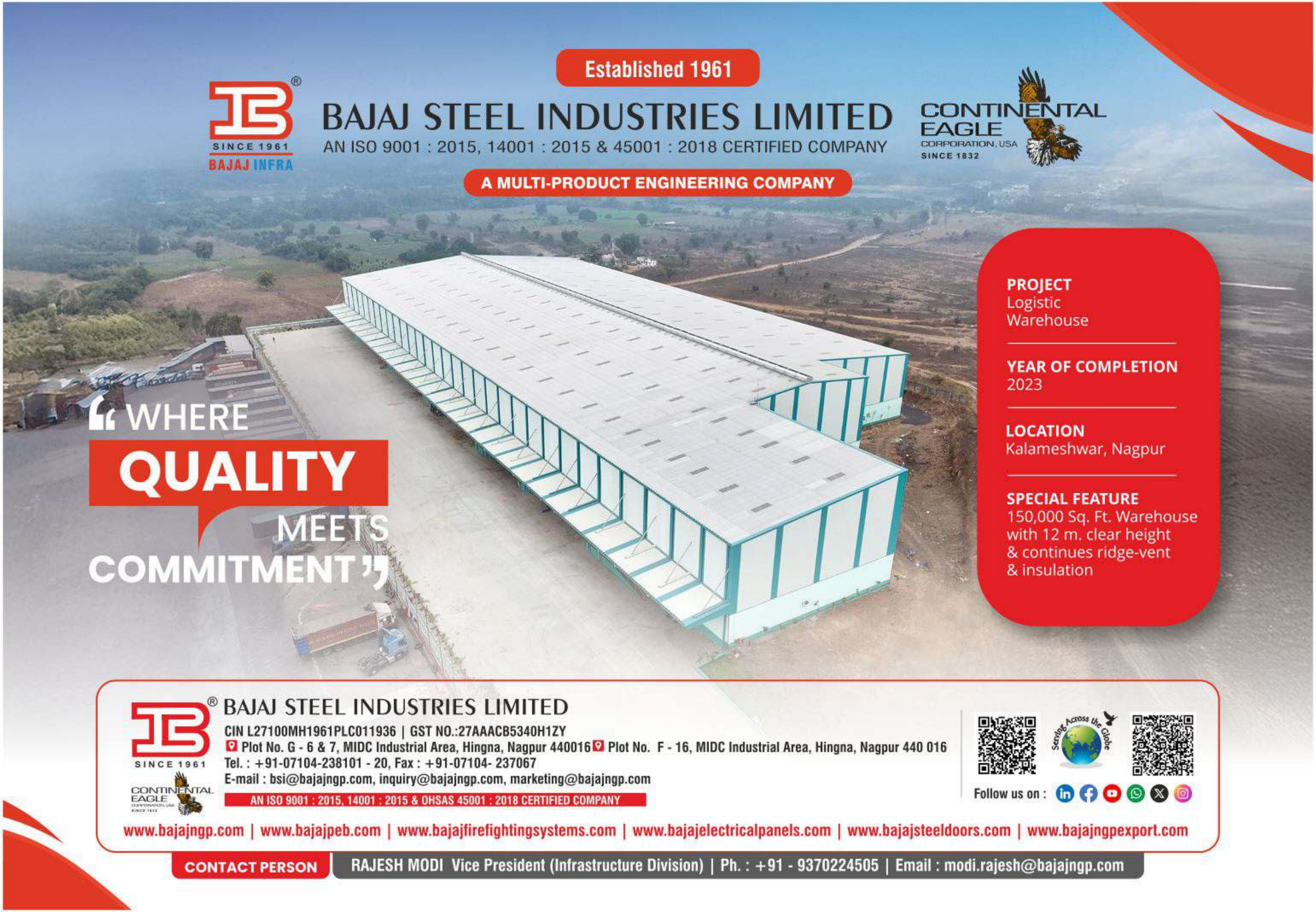
Dr. Suresh Pandilwar
Co-Chairman
HRD Forum

In general performance management is an ongoing process in which managers and employees regularly communicate to assess and review job responsibilities, expectations, and development strategies. The goal is to empower employees to perform at their best, align their efforts with the organization's strategic objectives, and create a positive and fulfilling work environment for everyone.

In the early days of performance management in Indian industries, companies used personality-based systems to measure performance and maintained annual confidential reports to control employee behavior. These reports were also known as Employee Service Records in many companies in general and state government sector in particular. Some Indian companies still maintain these records and consider them when making lateral and vertical employee movements which I have seen. But today there is a paradigm shift in the concept of performance management. Today's process is different which includes Defining roles, Planning and setting goals, Introducing appraisal techniques, 360-degree feedback surveys, Involving employees in the process, Gathering feedback, Recognizing achievement and Offering opportunities for improvement. This latest process is excellent, because, this process allows employees and employer to clearly state the objectives which have to be achieved and ways to achieve the same. The onus lies with the employee in discussion which has to complete this particular objective. We all have different approach to reach to a given objective, but as transparent system, Performance Management System will be able to compare the best way out of the various approaches performed by various employees or groups and uniquely indicates the best performer.

In recent years, performance management has evolved even further, with many companies pulling down the traditional hierarchy in favor of more equal working environments. This has led to an increase in Performance Management Systems that seek multiple feedback sources when assessing an employee's performance – We know it 360-degree feedback. This phase was characterized by maturity in approach of handling people's issues. It was more performance driven and emphasis was on development, planning and improvement. Utmost importance was given to culture building which I also think is most needed and important.

Today the goal is to implement a system that meets the diverse and often indirect needs of the various stakeholders of the process. There is no one-size-fits-all approach to managing performance and I observed that having a right approach in place depends considerably on the context of each organization. Therefore, what becomes an important first step is expecting certain questions against the background of organizational context and realities. What objectives would you like the performance management process to drive needs to be studied, this means that subjectivity can have its place in the process as long as it does not create denseness. Is your performance evaluation exercise a mechanistic process or does it offer an experience? It emerged that a performance management system that only acts as an automated vehicle for the distribution of rewards creates distrust in the minds of employees and strips the managerial cadre of its opportunity to exercise discretion. Are your employees truly a key stakeholder of the process? At the end of the day, employees are critical stakeholders of an organization and often have a longer-term association with the organization than its shareholders. In this context, it is time companies must change their focus in implementing performance management models that are better geared towards meeting the needs of employees. So good job is left for HR fraternity to think the subject matter to implement today and tomorrow.



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A MULTI-PRODUCT ENGINEERING COMPANY
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YEAR OF COMPLETION
2023
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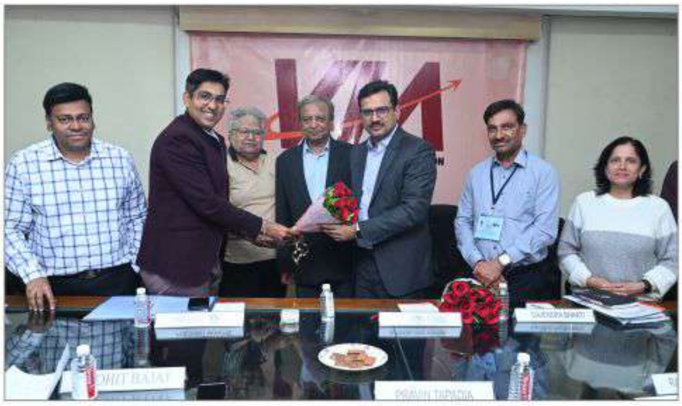
DEEPENDRA SINGH KUSHWAH, IAS, DEVELOPMENT COMMISSIONER (INDUSTRIES) VISITED VIA



During discussion, VIA appreciated the efforts of the industry department in developing the MAITRI Portal to facilitate one window clearance and setting time line for speedy approval of the various industrial applications and for bringing the attractive Logistic and Export policy.

VIA has submitted a memorandum and suggestions for the new industrial policy which is likely to be announced shortly. Prominent suggestions include

- The removal of anomaly which exist between MSME and MEGA project in PSI 2019 and discourage MSME to expand
- To offer subsidy to Offset higher logistic costs for export.
- To consider the cost of renewable energy investment for captive power as eligible for all incentives under PSI.
- Lower limit for Mega Status for Vidarbha.
- MIDC Land cost purchase under resale should be considered for incentives.
- Support non GST Agro Units with capital subsidy. This will help industry in rural areas.
- Decentralization of power to local level to facilitate easy disposal of application.
- Setting up an industrial park exclusively for women entrepreneurs.
- Sector specific additional incentives.

The Development Commissioner patiently heard the memorandum and assured to look into each and every suggestion.

Prashant Mohta welcomed the DC by flower bouquet and Rakesh Surana proposed vote of thanks.

Prominent among the present Pravin Tapadia, Rohit Bajaj, Omprakash Bagdia, Rashmi Kulkarni, Gajendra Bharti JDI, S S Muddamwar GM DIC.

Photo L to R : Rakesh Surana, Prashant Mohota, Rohit Bajaj, Pravin Tapadia, Deependra Singh Kushwah, IAS, Development Commissioner (Industries), Gajendra Bharati, JDI & Rashmi Kulkarni

VIA DELEGATION MET AND INTERACTED WITH SHRI P VELRASU, IAS, CEO - MIDC

VIA delegation, led by Vishal Agrawal, President of VIA, met and interacted with P Velrasu, IAS, CEO of Maharashtra Industrial Development Corporation, Mumbai, at MIDC Office, Nagpur on 20th December 2024 and requested for decentralisation of power to local level to RO - MIDC to facilitate easy and faster disposal of application, since files get delayed at Legal and Planning section at Mumbai, Old dues of MIDC should not be made applicable to the purchaser, who buys through the NCLT or Bank through liquidation process.

For submission of building plans, time limit should be extended to 15 months so as to obtain occupancy certificate to the extent of 20% as the plot-holder needs to have a lot of clearances from MPCB, Fire, Bank, it requires lots of time. MIDC must withdraw the penalty imposition and should do so after the lapse of plot validity period, etc.

Industry Associations of Nagpur also discussed other issues related to MIDC like removal of encroachment, inadequate street lights in MIDC industrial areas, Fire NOC, allotment of land for ESIC Hospital at Hingna areas, Interior roads within MIDC are in pathetic conditions, despite the Central MIDC road being upgraded to a concrete National Highway, garbage disposal, Ambazari Lake is the main water source for the industrial area, and sewage from Wadi drains into Ambazari, which urgently needs a separate sewage treatment plant (STP).

P Velrasu assured that he will take up these issues on priority. He further said the meeting with Industry Associations will be conducted at Nagpur every quarter and the Dy CEO MIDC will seat two days in a week on every Thursday & Friday at MIDC Nagpur Office.

Prominently present from VIA were Rohit Bajaj, Gaurav Sarda, Paramveer Sancheti, Vaibhav Agrawal, representatives from associations and officials from MIDC.

VIA EXIM FORUM ORGANISED INTERACTIVE SESSION ON MAHARASHTRA'S NEW POLICIES EXPORT POLICY 2023 & LOGISTICS POLICY 2024

EXIM Forum of Vidarbha Industries Association organised an Interactive session on Maharashtra's new policies - Export Policy 2023 (Transforming Exports, Enriching Maharashtra's Future) & Logistics Policy 2024 (Maharashtra connecting Bharat Rashtra) on 5th December, 2024 at VIA Auditorium, Nagpur.

Gajendra Bharati, Joint Director of Industries, Nagpur highlighted the new export potential for Vidarbha, Logistics opportunities in Vidarbha, State Govt Incentives / supports for Export & Logistics.

Bharati said Maharashtra Logistics Policy 2024 aims to establish Maharashtra as a logistics hub by developing over 10,000 acres of dedicated logistics infrastructure, including 25 district logistics nodes, five regional hubs, five state hubs, one national hub, and one international hub. The policy focuses on reducing logistics costs by at least 5%, improving transit efficiency, and promoting sustainability through green initiatives. Valid for five years or until revised, it targets the creation of approximately 500,000 new jobs and revenue generation of ₹30,000 crore over the policy period, driving economic growth and reducing carbon footprints for a more sustainable logistics ecosystem.

The MH Logistics Policy 2024 offers fiscal incentives, including special capital incentives, power at industrial rates, and ₹5 crore for critical infrastructure. Non-fiscal incentives include industry and infrastructure status for the logistics sector, higher ground coverage, relaxation on zoning and height restrictions, 24/7 operations, support for skill and entrepreneurship development, and single-window clearance to simplify business processes. These measures aim to attract investment, enhance operational efficiency, and foster the growth of logistics parks in Maharashtra.

The key features of the export policy, focusing on infrastructure development for export-oriented industrial projects. The policy aims to promote exports by providing additional manpower, infrastructure, and sector exports. It also includes incentives for export promotion and infrastructure development. The policy covers various sectors such as marine products, apparel, textiles, electronic systems, leather, and more. The policy also outlines the conditions for qualifying for large-scale benefits, which require an upfront investment of 100 crores.

He mentioned the possibility of financial assistance for capacity building and infrastructure development. He also stressed the issue of dependency on merchant exporters and the need for direct participation in exports.

Bharati assured that the views and suggestions shared by the audience on exports and logistics will be taken up with the top level for favourable consideration.

Earlier, Kaushal Mohta, Chairperson – VIA EXIM Forum in his opening remarks informed about VIA also introduced the speaker . O S Bagdia, former Vice President of VIA welcomed G O Bharati. CA Nitin Agrawal, Project Director, Vineet Mohota also shared the dais with S S Muddamwar, GM-DIC, Nagpur. Kaushal Mohta also summed up the session and also proposed a vote of thanks.

Exporters, Industries, CEOs, Heads of Export Firms, logistics companies attended the session.

MERCOM INDIA HOSTS SUCCESSFUL C&I CLEAN ENERGY MEET IN NAGPUR

Mercom India hosted the C&I Clean Energy Meet in association with Vidarbha Industries Association (VIA) and MIDC Industries Association (MIA) at Tuli Imperial Hotel, Nagpur drawing commercial and industrial (C&I) entities from various sectors.

Priya Sanjay, MD of Mercom India given the welcome address. Prashant Mohota, Hon. Secretary - VIA along with Girdhari Mantri, Chairman - VIA CSR Forum and P Mohan, President - MIA addressed the gathering during inaugural session and also disclosed the benefits of going solar for their facility and save big for their industry.

Participants included prominent companies such as Bajaj Steel Industries, Ramsons Group, Dadakrupa Tuff Glass, Mecgale Pneumatics, Bhagirath Textiles, Melghat Cold Chain, and Inox Air Products showcasing the diverse industries in Nagpur.

The primary focus of this event was to bring solar solution providers and C&I consumers together under one roof to share successful solar business models.

Conference participants engaged with industry experts to explore cost-effective, reliable, clean energy solutions and gain insights into the evolving energy market across the country. Renewable energy providers shared strategies for smooth transitions to clean energy, addressing technological challenges and financing options for green initiatives.

Clean energy solution providers such as Ampyr Energy, Kalpa Power, Datta Infra, Saatvik Solar, Onward Solar, Jinko Solar shared insights on green energy adoption and overcoming implementation hurdles.

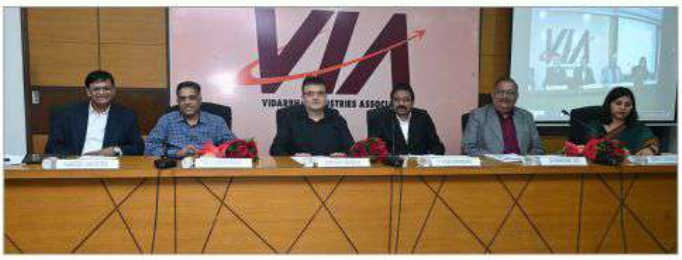
Officials from the SIDBI, Ecofy and IDBI Bank shared detailed information on securing green loans, understanding the application process, and navigating current interest rates.

The event was supported by Ampyr Energy, Kalpa Power, Datta Infra, Saatvik Solar, Onward Solar, Jinko Solar, Gautam Solar, Solis Inverters.

During an interactive Q&A session where experts explained the solar installation queries quite effectively and it was insightful information for delegates who are planning to go for solar at their facilities.

Looking ahead, Mercom India will continue its mission to drive clean energy adoption across India. The next C&I Clean Energy Meet is scheduled to take place in Hubli (Karnataka) on 17th January 2025.

AN INTERACTIVE SESSION HELD ON "BLACK MONEY ACT 2015 & FOREIGN ASSETS REPORTING IN THE INCOME TAX RETURNS



In an effort to foster financial transparency and promote voluntary compliance with tax laws, the Investigation Directorate, Nagpur, organized a comprehensive Awareness cum Compliance Campaign centered on the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (Black Money Act) & Reporting of Foreign Assets & Transactions in ITR, on 11.12.2024. The event emphasized the importance of disclosing foreign assets and income in Income Tax Returns (ITRs) and shed light on the serious consequences of non-compliance.

Held at the VIA Auditorium, Nagpur, the event was organized in collaboration with the VIA Taxation and Corporate Law Forum, Vidarbha Tax Practitioners Association (VTPA) and Income Tax Directorate of Investigation, Nagpur witnessed the enthusiastic participation of taxpayers, tax practitioners, businessmen, and officials from the Income Tax Department.

At the outset, CA Naresh Jakhotia, Vice President of Vidarbha Industries Association and Secretary of Vidarbha Tax Practitioners Association, welcomed the guests by offering the floral bouquet and appreciated the initiative taken by the Nagpur Team of Income Tax department in creating an awareness amongst all. CA. Mahendra Jain, President, Vidarbha Tax Practitioners Association highlighted the repercussions on the taxpayers in reporting and compliance wherein even genuine cases could lead to heavy cost and consequences.

Distinguished Presence and Expert Insights:

The event was graced by V. Vivekanandan, IRS Principal Director of Income Tax, Nagpur, as the Chief Guest, whose opening address set the tone for the campaign. He commended the Central Board of Direct Taxes (CBDT) for flagging off a nationwide campaign aimed at educating taxpayers and encouraging them to file revised ITRs by 31st December 2024 to voluntarily disclose their foreign assets and income. He remarked, "The Black Money Act is not merely a punitive tool but also an opportunity for taxpayers to come clean and contribute to national integrity by adhering to financial transparency norms. Education and awareness are the first steps toward achieving compliance."

The keynote speeches along with presentations were delivered by Bala Subramaniam, IRS, Joint Director of Income Tax, and Srishti Chaurasia, IRS, Deputy Director of Income Tax. Both speakers provided in-depth insights into the provisions of the Black Money Act and highlighted the government's commitment to combat undisclosed foreign income and assets.

Key Takeaways from the Speeches:

- Provisions of the Black Money Act: Both speakers elaborated on the legal framework of the Black Money Act, explaining its scope and applicability.

- Importance of Suo Motu Disclosures: Taxpayers were urged to make voluntary disclosures of undisclosed foreign income and assets in their revised ITRs to avoid stringent penalties and prosecution.

- Consequences of Non-Compliance: The audience was informed about the grave repercussions of non-disclosure, including steep penalties, interest, and prosecution under the Act.

- Role of Tax Practitioners: Emphasis was laid on the critical role played by tax practitioners in guiding their clients toward timely and accurate compliance.

Impact of the Campaign:

The event witnessed participation from over 50 attendees, including prominent businessmen, tax practitioners, and individual taxpayers. Attendees lauded the Directorate's efforts in demystifying the complexities of the Black Money Act and providing a platform for open dialogue.

Tax practitioners, expressed their appreciation for the initiative. "The detailed explanations about the Act's provisions and practical steps for disclosure will help us guide our clients better," said a tax consultant.

CBDT's Nationwide Campaign:

The initiative is part of a broader campaign flagged off by the Central Board of Direct Taxes (CBDT), which underscores the urgency for taxpayers to disclose foreign income and assets by filing revised ITRs by 31st December 2024. This campaign aligns with the government's commitment to curbing black money and promoting financial transparency.

Conclusion:

In his concluding remarks, Chief Guest V. Vivekanandan emphasized, "This campaign is a vital step in the government's mission to create a compliant and transparent tax ecosystem. We urge taxpayers to come forward and make voluntary disclosures to avoid facing stringent penalties and to contribute to the nation's financial integrity."

Through this collaborative and inclusive approach, the Investigation Directorate, Nagpur, has set a benchmark in taxpayer education and compliance facilitation, paving the way for a more transparent and accountable financial ecosystem.

The programme was well coordinated by CA Naresh Jakhotia, Vice President VIA. He assures the delegates to have more sessions like this for the benefit of industries & taxpayers.

Earlier, Ashish Doshi, Vice President – VIA welcomed Chief Guest V. Vivekanandan, CA Mahendra Jain, President – VTPA welcomed Bala Subramaniam, IRS, Joint Director of Income Tax, O S Bagdia welcomed Srishti Chaurasia with floral along with other representatives of Department.

Prominently present were Jagjeet Bhatia, Jethalal Ruhiyana, Ajay Waswani, Ajay Singh, Anil Kedia, Rakesh Khator, Lighthhouse Info System, representatives from TruForm Engineering, Truform Techno.

VIA LEW ORGANIZES CAPACITY BUILDING PROGRAMME UNDER THE RAMP PROJECT

Lady Entrepreneurs' Wing of Vidarbha Industries Association (VIALEW) organised a Capacity Building Programme under the RAMP Project, designed to empower MSMEs on 13th December 2024 at VIA Auditorium, Nagpur. This program was supported by The World Bank, MSSIDC, and implemented by InFED, IIM Nagpur.

This workshop was specially designed for women entrepreneurs to help them promote and expand their businesses.

Gajendra Bharti, Joint Director Industries, was the chief guest of the event. He shared insights on various government schemes. He said RAMP scheme is design to enhance the performance of MSMEs by promoting technology upgradation, innovation, digitization, market access, credit, greening initiatives, etc through active participation of the State Governments. He also lauded VIALEW's efforts to educate women entrepreneurs and startups about government financial support schemes. He further said Maharashtra's Women Policy, which provides 100% Fixed Capital Investment support and a 25% capital subsidy of up to ₹50 lakh. Under PSI 2019, MSMEs can avail incentives like SGST refunds, interest subsidies, stamp duty waivers, electricity duty exemptions, and power tariff subsidies, alongside other benefits. These schemes aim to empower entrepreneurs by reducing operational costs and enhancing growth opportunities.

Dr Shivaji S Dhawad, COO, InFED, IIM Nagpur emphasized the importance of the RAMP project. CA Pranay Joshi delivered a session on financial knowledge management, covering topics such as the balance sheet, profit and loss statement, cash flow, working capital, and strategies to maintain profitability.

Yogesh Dongre guided the participants on digital loans. He conducted the session alongside HDFC Bank MEOD Zonal Head, Amol Bansod and Vaibhav Nawarkar, CH Rural Business Banking. They discussed various topics, including CGTSME Scheme, Working Capital Facility, Term Loans, Dukandar Overdraft Facility, Loans for Women Entrepreneurs, Agricultural Loans.

The final session was conducted by Rahul Peshawar on Government E-Marketplace (GeM). He covered Overview of Public Procurement, GeM - Introduction, seller registration, formalities, and procedures, Procurement cycle and payment procedure on GeM, Bids/Reverse Auction process for goods and services, Special provisions for MSMEs, women entrepreneurs, and self-help groups, Receipt of goods, Preventive steps during procurement, VC guidelines on preventive vigilance for GeM, Complications and latest developments in GeM.

Over 50 women entrepreneurs and MSMEs including LEW members participated in the workshop. The program was jointly conducted by Neelam Bowade and Vandana Sharma, and the vote of thanks was delivered by Yogita Deshmukh, Secretary - VIALEW.

Prominently present were VIALEW Past Chairpersons - Chitra Parate, Shachi Mallick, Poonam Lala.

TIMELY UPDATING OF CONTACT DETAILS ON TAX PORTALS IS CRUCIAL FOR COMPLIANCES : KAILASH JOGANI

VIA Taxation and Corporate Law Forum & Vidarbha Tax Practitioners Association (VTPA) are jointly organised a 15th edition of Tax awareness session on "Chhoti Chhoti Batein Tax Ki" today at VIA Auditorium, Nagpur by renowned & Prominent Tax Professionals of the city namely CA Kailash Jogani for Income Tax & allied laws whereas CA Shailendra Jain for GST.

Initiating the presentation, CA Kailash Jogani asked the taxpayer to keep proper records and books of accounts, file proper information in income tax returns well within time since there are restrictions for belated returns like income shall be computed mandatorily in new tax regime, restrictions in carry forwards of losses and likewise. He began his presentation by explaining the importance of the last quarter of the financial year wherein the records and books of accounts should be verified and any mistake or error should be rectified as now rectification of returns or revision of returns and not permitted under many laws. Form 26AS, AIS, TIS and data available on the compliance portal should be verified before finalizing the reference of Income. CA Jogani further said that I&CI (Intelligence & Criminal Investigation) has taken up pilot project of checking data of non-filers, off market high value share transactions, purchase of properties, patients' information from specialty hospitals like IVF etc, marriage banquets halls transactions, social media data and use of information technology and AI are used for tracing the defaulters. CA Jogani added that number of regulatory authorities other than income tax like FIU, STR, EOW, CBI, ED can also initiate enquiries. Thus single assessee may be required to appear before difference authorities explaining same nature of transactions before multiple authorities. CA Jogani has issued a caution note with regard to TDS transactions as Special TDS Commissioner with his team handles TDS assessments and most pending prosecutions are under TDS wing of Income Tax. He also added that assessment of TDS results in heavy interest of 1.50% pm along with late fees of Rs 200 per day and prosecution in many cases on default of nonpayment of TDS after deduction. CA Jogani informed new provision from financial year 2023-24 that payments to MSME creditors should be cleared before the specified time provided under Section 43B(h) otherwise that expenditure of purchase shall be allowed only on payment basis. During his deliberation he asked the audience to be cautious will borrowing loans from market and to check the credit worthiness of person giving loans or credit for long period since the department is asking the borrower to prove credit worthiness of the lender i.e. explain the source of source, mother papers should be taken in case of property transactions, disclosure of Digital assets should be disclosed, foreign property should be declared as recorded for last 16 years can be opened to verify these transactions, payments through UPI should be well documented and recorded.

CA Shailendra Jain advised the taxpayers to update mobile numbers, email address and address of business since all the communications from departments are done in digital manner and none of the communications are missed. He further briefed about the functioning of IMS facility where acceptance, rejection of invoices appearing in GSTR 2B can be done. He also advised the audience to maintain the books of accounts as per the list provided in GST Act, where specific emphasis should be given on maintaining of stock records. CA Shailendra Jian has emphasized to take benefit of the amnesty scheme available under GST Act. He further added that from January 2025 generation of e-way bill, e-invoices will be generated with dual authentication. He asked the industrialists & Trade to reconcile the GST returns and information on a regular basis and keep adopting the practice of maintaining strong documents in support of the transaction.

He further said that provisions of restricted ITC u/s 17(5) and reversal of ITC as per Rule 42 should be done periodically as the claim if ITC and thereafter reversal of it will result in interest liability and if found during assessment may also result in levy of penalty for wrongful claim of ITC.

VTPA President, CA Mahendra Jain in his welcome address appreciated the selection of eminent speakers for Chhoti Chhoti Baatein, now-a-days, session is very relevant for industries to resolve their issues related to taxation.

At the outset, CA Naresh Jakhotia, Vice President VIA & Secretary VTPA briefed about the concept of the programme to the audience and the harsh consequences of small mistakes in the tax laws. There are enormous changes in the tax laws in recent times wherein the taxpayers have not only to keep themselves updated about the changes but also need to understand its impact. Non compliances are resulting in heavy cost and consequences on the taxpayers. Short two-hour session is designed to give an overview of all the changes and the way forward in view of the changing taxation landscape. This will be the 15th successive session of the "Chhoti Chhoti Batein" designed with the concept that pre-mortem is always better than post-mortem in the tax laws. In day-to-day business affairs, one has to take care of lot of tax compliance, ignorance of which could entail penalty & fine behind mental tension. The session would not only cover the important law related to income tax and GST but also will also cover the allied business laws which are concerning the businesses. The session would also cover the latest ongoing litigation and notices that are issued in the recent times to the industries. The importance of the session is all the more relevant in view of the fact that the number of changes & amendments carried out frequently. One needs to learn, relearn & unlearn a lot many provisions.

CA Sachin Jajodia, Convener - VIA Taxation & Corporate Law Forum made an open remark and also proposed the formal vote of thanks and appealed for regular participation.

The programme was largely attended by Industrialists, Professionals, Students, Businessman and general public and was followed by numerous question and answers round. The speakers have replied all the queries of the audience and all have appreciated the initiative done by VIA.

TAXING TENSIONS: THE NESTLÉ CASE AND INDIA-SWITZERLAND FACEOFF

Dr. Tejinder Singh Rawal
Chartered Accountant,
Economist and Thinker

The recent controversy between India and Switzerland regarding an Indian income tax judgment involving Nestlé has sparked significant debate in tax and trade circles and on the diplomatic front. The issue has brought to light the intricacies of international tax law, the jurisdiction of Indian courts, and the broader implications for foreign companies operating in India. While the Nestlé case has become a flashpoint, its repercussions extend to bilateral relations, India's tax environment, and foreign investment.

The Background: Nestlé Tax Case

Nestlé, the Swiss multinational food and beverage giant, has been embroiled in a tax dispute with Indian authorities. The Income Tax Department of India recently passed a judgment claiming that a specific transaction or income stream of Nestlé, concerning royalty payments or profits attributed to its Indian operations, should be taxed under Indian jurisdiction. The crux of the dispute lies in interpreting the India-Switzerland Double Taxation Avoidance Agreement (DTAA) and the principle of Permanent Establishment (PE) in India.

Indian authorities argue that certain activities carried out by Nestlé's Indian subsidiary constitute a taxable nexus, thus falling under the purview of India's tax laws. However, Switzerland has objected to this stance, viewing it as a breach of the bilateral DTAA provisions. Swiss authorities have contended that Nestlé's income has already been taxed appropriately in their jurisdiction and that India's interpretation could lead to double taxation.

Core Issues in the Dispute

1. Interpretation of Permanent Establishment (PE): One of the primary issues is whether Nestlé's operations in India constitute a Permanent Establishment. Under international tax norms and the DTAA, only those activities carried out through a PE in a host country can be taxed. Indian authorities claim that certain operations cross this threshold, including management, manufacturing, or revenue-generating functions.

2. Royalty Payments and Transfer Pricing: Another concern is royalty payments or transfer pricing arrangements between Nestlé's Indian subsidiary and its Swiss parent company. Indian tax authorities may have viewed these as attempts to shift profits outside India to minimise tax liability, which is a violation of the principles of Base Erosion and Profit Shifting (BEPS).

3. Double Taxation Avoidance Agreement (DTAA): The DTAA between India and Switzerland is designed to prevent double taxation of the same income in both countries. However, the differing interpretations of this treaty, particularly around taxation rights and jurisdiction, have created a stalemate.

Repercussions of the Dispute

The fallout from this case has already started to manifest in several ways:

1. Diplomatic Tensions: Switzerland's formal objection to India's tax judgment has raised concerns about potential strain in bilateral ties. Switzerland has been a key partner for India in trade, investment, and tax information exchange, and this dispute could dampen diplomatic relations.

2. Investor Confidence: The judgment could trigger apprehensions among multinational corporations operating in India. Companies may perceive India's tax regime as unpredictable, which could adversely impact the ease of doing business and deter foreign direct investment (FDI).

3. Reputation of Indian Tax Policy: India has faced criticism in the past for retrospective taxation and prolonged tax disputes, as seen in cases involving Vodafone and Cairn Energy. The Nestlé case risks reviving concerns about India's tax policy, even as the country works to improve its investor-friendly image.

4. Economic Implications: A decline in FDI or disruptions in trade relationships with key partners like Switzerland could hurt India's economy. Multinational corporations play a significant role in India's industrial growth, job creation, and technology transfer.

Impact on India

The impact of the Nestlé controversy could be multifaceted:

1. Investor Sentiment: For foreign investors, predictability and transparency in tax policy are critical. Prolonged disputes like this create uncertainty, making India a less attractive investment destination. This could hamper India's goal of becoming a global manufacturing hub under the "Make in India" initiative.

2. Reforms Under Scrutiny: India has made significant strides in reforming its tax regime by introducing the Goods and Services Tax (GST) and the faceless assessment system. However, this dispute highlights persisting challenges in international tax matters, signalling the need for further reforms.

3. Bilateral Trade Relations: Switzerland is an important trade partner for India, with bilateral trade exceeding $20 billion annually. Disputes like the Nestlé case could slow trade negotiations, including discussions on free trade agreements under the India-EFTA (European Free Trade Association) framework.

4. Revenue Mobilisation vs. Global Image: While India's intent to tax income generated within its borders aligns with its domestic revenue needs, the country must

balance this with its global image as a pro-business economy.

The Way Forward

To resolve the controversy and mitigate its adverse effects, India and Switzerland must take a collaborative and pragmatic approach:

1. **Mutual Agreement Procedure (MAP):** Both countries should engage in the Mutual Agreement Procedure as outlined in the DTAA. This allows tax disputes to be resolved through bilateral negotiations, preventing further escalation.

2. **Clarification of Tax Laws:** India must work to clarify its tax laws regarding Permanent Establishment and royalty payments, particularly in line with global best practices. Providing clear guidelines will reduce ambiguities and prevent similar disputes in the future.

3. **Strengthening DTAA Framework:** India and Switzerland should consider updating their DTAA to address emerging challenges, such as digital taxation and the BEPS framework. An updated treaty can foster better cooperation and minimise conflicts.

4. **Dispute Resolution Mechanisms:** Introducing faster and more efficient dispute resolution mechanisms, such as advance pricing agreements (APAs) and arbitration panels, can reduce litigation and improve investor confidence.

5. **Focus on Transparency:** India should continue its efforts to improve tax transparency and predictability. Policies that align with global norms will strengthen India's credibility as an investor-friendly destination.

Conclusion

The Nestlé tax dispute highlights the challenges India faces as it seeks to balance domestic revenue mobilization with its global reputation as a business-friendly economy. While the controversy has sparked tensions with Switzerland, it also presents an opportunity for India to demonstrate its commitment to fair and transparent tax practices. By resolving the dispute amicably, updating its DTAA framework, and implementing robust tax reforms, India can not only strengthen its international partnerships but also position itself as a credible and attractive destination for foreign investment.

Ultimately, a pragmatic and collaborative approach will pave the way for India to sustain its economic growth while maintaining harmonious relations with key trade partners like Switzerland.

(The author is a Chartered Accountant, economist and thinker. He can be reached at tsrawal@tsrawal.com)

What PAN 2.0 Means for you: Top 10 Takeaways for Taxpayers

CA. Naresh Jakhotia
Vice President, VIA

The Income Tax Department has launched PAN 2.0 to improve the efficiency of assigning and maintaining Permanent Account Numbers (PAN). It is a groundbreaking initiative that redefines how the PAN operates within India's dynamic digital and financial ecosystem. With a dedicated financial allocation of ₹1,435 crore, this project represents a bold step in electronic governance, focused on upgrading taxpayer services through advanced technological integration. It aims to overhaul the processes surrounding PAN and TAN (Tax Deduction and Collection Account Number) management to deliver seamless, efficient, and secure services for taxpayers. This project aims to streamline and modernize the process of issuing and managing PAN and TAN, making it more user-friendly and efficient. The project addresses the requirements of taxpayers, focusing on consolidation of multiple platforms/portals and efficient services to PAN/ TAN holders. It is proposed to re-engineers the PAN/TAN services so as to offer seamless digital experiences.

Here are the top highlights of PAN 2.0 that taxpayers should know:

Currently, PAN-related services—e-Filing Portal, UTIITSL Portal, and Protean e-Gov Portal.

1. **Unified Digital Platform:** PAN-related services are currently are scattered across three platforms (e-Filing Portal, UTIITSL Portal and Protean e-Gov Portal). With PAN 2.0, all these services will be centralized under a single portal managed by the Income Tax Department. This unified system will host essential functions, including PAN allotment, updates, corrections, Aadhaar-PAN linking, PAN validation, e-PAN requests, and much more, simplifying access and improving convenience.

2. **Enhanced Taxpayer facilitation:** Under this initiative, PAN-related services will become significantly more user-friendly. Basic processes such as allotment, corrections, and updates will be offered free of cost. While e-PANs will be sent directly to registered email addresses, those seeking physical PAN cards can request one by paying ₹50 for domestic delivery. For international applicants, nominal additional charges for delivery will apply.

3. **Paperless Transactions:** One of the standout features of PAN 2.0 is its commitment to a completely online, paperless process, marking a departure from the current system, which still relies partially on physical documentation. This approach not only enhances efficiency but also aligns with the government's broader push toward digital governance and environmental sustainability.

4. Global Standards for Security and Services: PAN 2.0 adopts international benchmarks to ensure that the registration and management processes are both secure and seamless. With adherence to ISO standards for quality, data protection, and service management (e.g., ISO 27001 and ISO 9001), the project ensures a high level of security while streamlining procedures with minimal documentation. This guarantees enhanced user experiences while safeguarding sensitive taxpayer information.

5. Improved QR Code Functionality: PAN cards have featured QR codes since 2017-18. However, PAN 2.0 introduces a dynamic QR code that contains real-time information from the updated PAN database. Taxpayers holding older cards without QR codes can apply for new ones with this functionality. The upgraded QR code facilitates easy verification of PAN details, including the holder's photograph, signature, name, parents' names, and date of birth, using a dedicated scanner application.

6. Will Existing PAN Cards Become Invalid?: Existing PAN cards will remain valid and fully functional under the new system. There is no need to replace them unless the holder requires an update or correction. Taxpayers can rest assured that their current cards will not be invalidated due to the system upgrade.

7. Simplified Updates and Corrections: PAN holders will benefit from streamlined processes for updating or correcting their information. Changes to details such as email, mobile number, address, name, and date of birth will be free of cost once PAN 2.0 is operational. Prior to its rollout, updates to contact information can still be done via Aadhaar-linked online services. However, other modifications will require following the current procedure, which may involve fees or visits to designated centers.

8. New PAN Card Delivery Policy: New PAN cards will only be issued when specifically requested by taxpayers for updates or corrections. If no changes are required, the existing cards will continue to serve their purpose. This approach minimizes unnecessary issuance and aligns with the project's emphasis on efficiency.

9. stablishing PAN as a Common Business Identifier: PAN 2.0 envisions the Permanent Account Number evolving into a "Common Business Identifier" for enterprises. Businesses required to obtain a PAN will use it as the primary identifier across various government agencies' digital systems. This move simplifies compliance and reduces redundancy in regulatory requirements.

10. Robust Measures to Prevent Duplicates: To tackle the issue of duplicate PANs, the upgraded system incorporates advanced algorithms that detect and prevent the issuance of multiple PANs to the same individual. As mandated by the Income-tax Act, 1961, individuals are prohibited from holding more than one PAN. If a taxpayer realizes they have duplicates, they must notify their jurisdictional assessing officer to deactivate the additional PANs. PAN 2.0 further strengthens this mechanism with a centralized and more effective resolution process.

PAN 2.0: A Step Towards a Digital-First Tax System

The PAN 2.0 project is a significant leap in modernizing India's taxation system, integrating cutting-edge technology with a focus on accessibility and security. By consolidating platforms, adopting global standards, and offering user-friendly features, the initiative aims to make compliance easier while ensuring robust data protection.

Through this forward-thinking initiative, the government underscores its commitment to building a transparent and efficient digital ecosystem that meets the needs of taxpayers while supporting the nation's financial transparency goals. PAN 2.0 is set to transform the taxpayer experience, paving the way for a streamlined and secure financial landscape.

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MICRO MANAGEMENT VS. MACRO LEADERSHIP: NAVIGATING THE SPECTRUM OF MANAGEMENT

CA Hemant Lodha
Business Leader,
TEDx Speaker,
Spiritual Seeker

In the fast-paced world of business, effective management is crucial for achieving success. However, the styles of management can vary dramatically depending on the individual, the team, and the situation. Two distinct approaches stand out: micro management and macro leadership. While both have their merits, they require different mindsets and skill sets. Most managers gravitate towards one or the other, and it is rare to find someone who can fluidly switch between these approaches. However, the ability to develop a flexible, situational leadership style can set individuals apart and become an invaluable asset.

The Nature of Micro Management

Micro management is characterized by an intense focus on detail and close supervision of team members. Managers who use this approach get involved in the specifics of every task, from monitoring the progress of projects to dictating the smallest operational steps. Their goal is to maintain tight control over outcomes and ensure that all aspects of a project are executed exactly as envisioned. Micro managers believe in constant oversight, assuming that the smallest deviation from the plan can result in failure. They often check in with their teams frequently, sometimes at the expense of stifling creativity and autonomy. While this approach ensures that things get done according to set standards, it can also result in reduced team morale, as employees may feel distrusted or micro managed.

Some traits of micro managers include:

- **Detail-oriented:** They focus on every small aspect of a task, ensuring nothing slips through the cracks.
- **High control:** Micro managers believe that without their involvement, tasks may not meet their expectations.
- **Quick problem-solving:** They are quick to jump in and fix problems as they arise, even at the cost of long-term solutions.

The Essence of Macro Leadership

On the opposite end of the spectrum is macro leadership, a strategic approach where leaders focus on the bigger picture. Macro leaders provide broad direction, set long-term goals, and then trust their team to handle the execution. They are less concerned with the day-to-day details and more focused on achieving overarching objectives. True macro leaders spend their time visualizing the future, crafting strategies, and steering their teams toward success. They trust their team members to handle the implementation of tasks while keeping an eye on the broader outcomes. This approach fosters creativity, empowerment, and ownership among team members.

Key traits of macro leaders include:

- **Visionary thinking:** They focus on long-term goals and align the team with a shared vision.
- **Trust and delegation:** Macro leaders trust their team's abilities and delegate responsibilities, promoting autonomy.
- **Broad oversight:** They maintain a loose but effective control, intervening only when necessary to course-correct or provide strategic input.

Micro Management vs. Macro Leadership: A Comparison

Aspect	Micro Management	Macro Leadership
Focus	Details and task execution	Vision, strategy, and long-term goals
Control	Hands-on control over operations	Hands-off, trusting in team autonomy
Decision-making	Manager-centric	Collaborative & decentralized
Team Engagement	Can reduce team morale and ownership	Fosters empowerment and accountability
Flexibility	Low flexibility, often rigid	High flexibility, adaptable to situations

The Challenge of Switching from Micro to Macro

It's rare for managers to effortlessly switch from micro management to macro leadership. Micro managers are often deeply entrenched in the details, and letting go of this control can be difficult. They may struggle with trusting their team or relinquishing their hands-on involvement, fearing that without their constant oversight, things may go wrong. On the other hand, macro leadership requires a broad vision and the ability to step back and trust that the team will deliver. This level of trust doesn't come easily to everyone, especially those who are used to managing every detail. Switching between these approaches demands a high level of self-awareness and adaptability.

Developing a Flexible, Situational Leadership Style

The most effective leaders are those who can blend both micro management and macro leadership, depending on the situation. This is known as situational leadership, where managers adapt their style based on the needs of the moment. In times of crisis or when teams are inexperienced, a micro management approach might be necessary. However, during periods of stability or with a highly capable team, macro leadership can be more effective.

Situational leadership requires:

- **Self-awareness:** Leaders need to understand their own tendencies and recognize when their approach isn't serving the team.
- **Adaptability:** The ability to shift between controlling the details and stepping back to focus on strategy is key to successful situational leadership.
- **Empathy and communication:** Knowing when and how to intervene requires a deep understanding of the team's needs and open lines of communication.

Conclusion: The Power of Balance

Micro management and macro leadership are not inherently good or bad—it's about how and when they are applied. While micro managers excel at ensuring things are done correctly and efficiently in the short term, macro leaders are better at inspiring teams to achieve long-term success. The ideal leader is someone who can navigate between these approaches, applying the right style at the right time.

In today's dynamic work environment, developing a flexible approach to leadership is more valuable than ever. The ability to switch between micro management and macro leadership, depending on the context, can turn a competent manager into an extraordinary leader.

> Performance management is not just about measuring and evaluating performance, but about creating a culture of continuous improvement, learning, and growth, where individuals and teams are empowered to achieve their full potential.
>
> **-Edward Lawler**

MANAGEMENT MATTERS: 'USKI SAREE MERI SAREE SE SAFED KAISI?'

Dr. Smita Singh (Dabholkar)
Associate Professor and
Management Consultant,
IMT Nagpur

Nilima Kulkarni and Archana Pandey joined the IT company 'FutureThing' and were management trainees in the same department. Both graduated from the same B-school. Both had similar marks. The same recruitment team had hired them. There were a lot of similarities, and therefore, both could have expected similar growth at a more or less similar pace within the organization. Interestingly, in the first year, Archana Pandey got three back-to-back promotions. Nilima had many reasons for feeling sad and demotivated. She failed to understand what made Archana stand out.

The organization had hired a management consultant and an Organization Development interventionist. Turn by turn all departments met the OD consultant. It was Nilima and Archana's department's turn this month. Before the session, the interventionist administered a few OD tools to the members and designed a few dyadic/team interventions based on that. Duirng the session, the OD interventionist conducted an ice-breaker that she made look like a game. She asked people to answer a few questions. One of the questions was, "Who would you go to when you were stuck with some day to day issue?"Another question was, "Which management trainee did they find as the most passionate and who tried to take complete ownership of her job?" Most of them took Archana's name. When she emerged as the game-winner, the interventionist asked the participants to share at least one experience with her that made them take Archana's name. Archana's colleagues shared several episodes showing that Archana had some unique and terrific qualities. Interestingly, Nilima also narrated an appreciative spiel about Archana.

Her department colleagues said Archana was always on time and enthusiastic while working. Most importantly, many of them mentioned that whenever anyone approached her, she would have a very welcoming and forthcoming attitude towards them. Even in seemingly tricky situations, she would stay calm and comfort the other person with positive communication. The interventionist tagged her as the 'Enabler' of the team. As the OD interventionist believed more in the 'Strengths approach' in management, she used other tools to make other management trainees feel equally comfortable and motivated, but Archana clearly stood out.

Nilima and Archana's boss's name was Shrihari Pandey. This commonality in surname was bothering Nilima. She had also thought of other weird, unrelated reasons and always believed that Archana was the boss's favourite for some reason. Indeed, the boss was impressed with Archana, but that was because of her work. Nilima had not realized that it is not just about WHAT you do, as both almost did similar tasks; what also matters is HOW one does what s/he does. She got the answer to the question that had been bothering her for a long time now, **"Uski saree meri saree se safed kaisi?"**

Corporate Social Responsibility (CSR): Impact on Business and Key Compliances

PAYAL BHALINGE
Manager,
Corporate Governance,
LegaLogic

Corporate Social Responsibility (CSR) refers to businesses taking responsibility for contributing to societal well-beingin addition to generating profits. It involves efforts to support communities, protect the environment, and promote ethical practices. The key principles driving CSR initiatives are:

- Societal impact
- Enhancing brand value
- Employee engagement

Before initiating CSR, companies must identify a clear purpose aligned with these principles.

Impact of CSR on Society: CSR initiatives create a positive societal impact by addressing issues such as poverty, education, and environmental sustainability. By investing in community development and ethical practices, businesses contribute to the well-being of society, encouraging a more equitable and sustainable future.

"Businesses cannot be successful when the society around them fails." – Ratan Tata

Impact of CSR on Brand Value: Beyond being a tool for philanthropy, CSR has also evolved into a strategic tool for enhancing brand value and reputation. Today, businesses use CSR not only to meet legal obligations or engage in charitable activities but also to connect with stakeholders, build trust, and establish themselves as socially responsible brands.

CSR initiatives create a positive perception in the minds of customers, investors and employees. In an era where customers prefer purpose-driven brands, tangible CSR efforts build trust, credibility, and long-term value, thereby helping companies differentiate themselves in competitive markets. Companies must integrate CSR in their core brand strategy to maximize its impact. Companies like Tata and Infosys have demonstrated how well-integrated CSR strategies amplify brand value.

"Doing good is good for business." - Richard Branson

Impact of CSR on Employee Engagement

CSR initiatives boost employee engagement by providing opportunities to contribute to meaningful causes. When companies take responsibility for social and environmental issues, it fosters pride, belonging, and improves motivation, commitment, retentions and overall job satisfaction.

Applicability and Key Compliances of CSR:

- Applicable to companies having any one of:
  a) Net worth: Rs. 500 crores or more
  b) Turnover: Rs. 1000 crores or more
  c) Net profit: Rs. 5 crores or more (PBT calculated as per Section 198 of the Companies Act, 2013)
- If applicable, companies must spend at least 2% of the average net profits of the last three financial years (FY).
- CSR project to be in accordance with CSR policy and Schedule VII of Companies Act, 2013.
- CSR project details to be reported in Board's Report and filed with MCA in form CSR-2. CSR Policy to be uploaded on company's website, if any.
- CSR can be executed directly by companyor through registered implementing agencies which are either section 8 companies, trusts or societies that:

i) Are registered under Section 12A and 80G of the Income Tax Act;

ii) Have a 3-year track record in relevant activities;

iii) Have obtained CSR registration.

- If CSR is undertaken through an implementing agency, the company must ensure funds are utilized within prescribed timeline.
- A CSR project can either be completed within the same FY or extend over the current FY and up to three additional Fys.
- Management of unspent CSR funds - i) for ongoing projects: Transfer to a separate bank account by April 30 of following year; ii)for other cases: Transfer to Schedule VII funds by September 30 of following year.
- Penalty: i) For company – Twice the unspent amount of CSR or Rs. 1 crore, whichever is less; ii) For every officer in default – 1/10thof the unspent amount of CSR or Rs. 2 lakhs, whichever is less.

Conclusion: CSR has become a crucial factor in building brand value, gaining stakeholder trust, and achieving long-term success. By aligning efforts with social impact and legal requirements, businesses can improve their reputation and meet their responsibilities. When executed strategically, CSR can benefit both the company and the community.

"CSR is not an expense but an investment in building a sustainable future for businesses and communities alike." - Anand Mahindra

VIA REPRESENTATIONS – DECEMBER 2024

S.N.	Date	Name & Address	Subject
1	18.12.2024	Shri. Deependra Singh Kushwah, I.A.S. Development Commissioner (Industries) GOM , Directorate of Industries Mumbai	Submitting Suggestions for the package scheme Incentive for New Industrial Policy 2024
2	18.12.2024	The Principal Director of Income tax (Investigation) Aaykar bhawan , Civil lines, Nagpur	Representation on suggestions for Effective Implementation of the Black money Act 2015 Read with the Income tax Act ,1961
3	18.12.2024	Shri. P. Velrasu, IAS CEO , MIDC , Udyog Bhawan, Nagpur	Submitting MIDC Related Issues
4	19.12.2024	Shri Devendra Fadanvis Hon'ble Chief Minister GOM , Mantralaya, Mumbai	Representation given reg issues related to industry for quick action on VM Subsidy, Solar Net Metering, Decentralization of power to local MIDC level

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