ICMAI

The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

www.icmai.in

iCMA

62ND NCMAC 2025

Souvenir

दिव्य दृष्टि

Corporate Excellence - CMA Vision

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

23rd - 25th MAY 2025 (FRIDAY TO SUNDAY)

Convention Centre, Campus - 2, SOA University, Bhubaneswar - 751030, Odisha

ncmac2025@icmai.in

Behind Every Successful Business Decision, there is always a CMA


कोल इण्डिया
Coal India
A MAHARATNA COMPANY
5 DECADES OF UNEARTHING ENERGY
हम दे रहे हैं सपनों को उड़ान...
सतत कोयला खनन
उत्कृष्ट पर्यावरण प्रबंधन
सौर परियोजनाएं
• विश्व की सबसे बड़ी कोयला उत्पादक कंपनी • उत्कृष्टता की ओर बढ़ते कदम...


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62ND NCMAC 2025

iCMA

दिव्य दृष्टि

Corporate Excellence - CMA Vision

62nd

National Cost and Management Accountants' Convention (NCMAC) - 2025

23rd - 25th MAY 2025 (FRIDAY TO SUNDAY)

Convention Centre
Campus - 2, SOA University
Bhubaneswar - 751030, Odisha

ICMAI

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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Behind Every Successful Business Decision, there is always a CMA

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

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

Vision Statement

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

Mission Statement

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

Institute Motto

असतोमा सद्गमय
तमसोमा ज्योतिर् गमय
मृत्योर्मामृतं गमय
ॐ शान्ति शान्ति शान्तिः

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

62ND NCMAC 2025

Behind Every Successful Business Decision, there is always a CMA

Dr. Hari Babu Kambhampati
Governor, Odisha

RAJ BHAVAN
BHUBANESWAR - 751 008

May 14, 2025

<u>MESSAGE</u>

I am delighted to learn that the Institute of Cost Accountants of India is hosting the 62nd National Cost and Management Accountants' Convention (NCMAC) - 2025 with a theme " Divya Drusti: Corporate Excellence- CMA Vision" from 23rd to 25th May 2025 at Bhubaneswar. A Souvenir is also being brought out to commemorate the National Event.

I hope meaningful discussions on critical topics in the event can contribute country's broader economic and societal progress.

My heartfelt Congratulation to the organisers for their dedicated effort in organizing this prestigious national event and I extend my best wishes for the grand success of the event and publication of the Commemorative Souvenir.

(Hari Babu Kambhampati)

Phone : 91-674-2536111/2536222, Fax : 91-674-2536582, E-mail : govodisha@nic.in, Website : www.rajbhavanodisha.gov.in

राजेंद्र विश्वनाथ आर्लेकर
राज्यपाल, केरल
RAJENDRA VISHWANATH ARLEKAR
GOVERNOR OF KERALA

രാജേന്ദ്ര വിശ്വനാഥ് ആർലേക്കർ
ഗവർണ്ണർ, കേരളം

24 April 2025

MESSAGE

I extend my warm greetings to the Institute of Cost Accountants of India on the occasion of the **62nd National Cost and Management Accountants Convention – 2025** held from 23rd to 25th May, 2025 at SOA University, Bhubaneswar, Odisha.

The theme *"Divya Drishti: Corporate Excellence – CMA Vision"* reflects the vital role CMAs play in shaping efficient, transparent, and sustainable corporate practices. Guardians of cost optimization and ethical financial stewardship, their insights are key to achieving the goal of Viksit Bharat as envisaged by our Prime Minister.

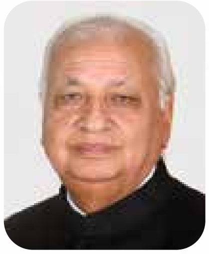
I am confident that the deliberations during the Convention will inspire innovative thinking and strengthen the profession's contribution to the Prime Minister's vision.

My best wishes for the Convention's grand success.

Rajendra Vishwanath Arlekar

KERALA RAJ BHAVAN
THIRUVANANTHAPURAM-695 099
Tel : 0471-2721100, Fax : 0471-2720266, Email : keralagovernor@gmail.com

आरिफ मोहम्मद खां
Arif Mohammed Khan



सत्यमेव जयते

राज्यपाल, बिहार
GOVERNOR OF BIHAR

राज भवन
पटना-800022
RAJ BHAVAN
PATNA-800022

23rd April, 2025

Message

It is a matter of pleasure that the Institute of Cost Accountants of India is going to organize 62nd National Cost and Management Accountants Convention -2025 on the theme of "Divya Drishti : Corporate Excellence – CMA Vision" from 23rd to 25th May, 2025 at Convention Centre, SOA University, Bhubaneswar. I am also glad to know that a souvenir is also being released to commemorate the event.

I wish the event all success.

(Arif Mohammed Khan)

Phone : 0612-2786100-107, Fax : 0612-2786178
e-mail : governorbihar@nic.in

ಥಾವರ್‌ಚಂದ್ ಗೆಹ್ಲೋಟ್
थावरचंद गेहलोत
THAAWARCHAND GEHLOT
Governor of Karnataka

No. GOV/KAR/MSG/208/2025

MESSAGE

I am glad to know that, ***the Institute of Cost Accountants of India,*** *is organizing "62nd National Cost and Management Accountants Convention- 2025", with the theme of "Divya Drishti: Corporate Excellence- CMA Vision" and have proposed to bring out a Souvenir to commemorate the said occasion.*

Cost and Management Accountants play a pivotal role as masters of cost control, ensuring the optimal utilisation of limited resources, maximizing growth and minimising unnecessary expenditures. Their significant contributions are instrumental in fostering the development of the Indian economy.

I send my best wishes and warm greetings to the Organizers, participants and souvenir team and also for a grand success of the event.

6.5.25

(Thaawarchand Gehlot)

Raj Bhavan, Bengaluru - 560 001 (Karnataka) Ph. 080-22254102 - 108

ADMIRAL D K JOSHI
PVSM, AVSM, YSM, NM, VSM, (RETD.)
Lieutenant Governor, Andaman & Nicobar Islands
And
Vice Chairman, Islands Development Agency

सत्यमेव जयते

Raj Niwas,
Sri Vijaya Puram - 744101
Tel : (O) 03192-233333
(R) 03192-233300
Fax : 03192-230372

MESSAGE

62ND NATIONAL COST MANAGEMENT ACCOUNTANTS' CONVENTION – 2025

It gives me immense pleasure to extend my heartfelt greetings and best wishes to the Institute of Cost Accountants of India on the occasion of its 62nd National Cost Management Accountants' Convention – 2025, being held under the inspiring theme, *"Divya Drishti."*

In an era defined by economic dynamism and rapid technological advancement, the role of cost and management accountants has become more crucial than ever. The theme *"Divya Drishti,"* symbolizing foresight, wisdom, and enlightened vision, serves as a powerful call for professionals to lead with clarity, ethical integrity, and strategic insight.

Cost accountants are not merely custodians of financial data—they are architects of sustainable growth and champions of prudent governance. Your ability to envision long-term value, shape policy through accurate cost analysis, and drive accountability across sectors makes you vital contributors to our nation's development.

I am confident that this convention will serve as a dynamic platform for thought leadership, knowledge sharing, and visionary collaboration. May it inspire every professional to harness their *Divya Drishti* in illuminating the path toward a resilient and self-reliant India, in alignment with the vision of *"Viksit Bharat 2047."*

I wish the convention great success and the Institute continued excellence in its invaluable mission of nation-building.

(Admiral D K Joshi)
PVSM, AVSM, YSM, NM, VSM (Retd.)
Lt. Governor, A&N Islands
&
Vice Chairman, Islands Development Agency

Shrikumar Bandopadhyay
Officer on Special Duty (OSD)
Head of Task Force
to the Governor of West Bengal

Raj Bhavan, Kolkata- 700062
Tel: (033) 22001641 (ext.209)
headoftaskforcerajbhavan@gmail.com

सत्यमेव जयते

No. 663-G

Date: 8/5/25

Message

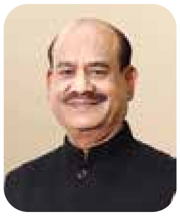
The Hon'ble Governor of West Bengal conveys his warm greetings to the Institute of Cost Accountants of India (ICMAI) on the occasion of the 62nd National Cost and Management Accountants' Convention (NCMAC) – 2025, to be held from 23rd to 25th May 2025 at the Convention Centre, Campus-2, SOA University, Bhubaneswar, Odisha.

This national convention, held under the theme 'दिव्य-दृष्टि' offers an excellent platform for discussion and reflection on a wide range of critical economic and accounting issues, including tax systems, AI in finance, sustainability frameworks, and financial transparency. The Governor appreciates ICMAI's consistent commitment to advancing professional excellence and shaping responsible financial leadership in the country.

The Convention's effort to bring together over 1200 delegates from corporate, financial, governmental, and professional sectors is praiseworthy. The release of a commemorative Souvenir to mark this occasion will undoubtedly serve as an important record of deliberations and policy perspectives shaping the future of cost and management accounting in India.

The Hon'ble Governor extends his best wishes for the grand success of NCMAC – 2025 and commends ICMAI for its continuing contribution to India's economic development through robust professional training and thought leadership.

Shrikumar Bandopadhyay



अध्यक्ष, लोक सभा

SPEAKER, LOK SABHA

INDIA

MESSAGE

I am pleased to know that the Institute of Cost Accountants of India (ICMAI) is organising its 62nd National Cost and Management Accountants' Convention (NCMAC) – 2025, from 23rd to 25th May 2025, with the theme "दिव्य दृष्टि: Corporate Excellence – CMA Vision."

Our nation offers vast opportunities for corporate expansion and economic transformation. In this context, the discipline of Cost and Management Accounting plays a vital role by providing the Management with accurate and timely information for planning, controlling and evaluating financial performance. By identifying, measuring and reporting costs, it helps organisations optimise resource utilisation, improve operational efficiency and enhance profitability. Achieving corporate excellence and sustained growth requires skilled professionals who can effectively shoulder these responsibilities. It is heartening to note that the Institute of Cost Accountants of India (ICMAI), a statutory professional body established under an Act of Parliament, has been instrumental in developing and nurturing such professionals. Through its rigorous curriculum, continuing professional education and industry-aligned research initiatives, ICMAI equips its members to meet the evolving needs of Indian and global businesses. Its efforts significantly strengthen the financial and strategic capabilities of enterprises across the country.

The theme of the 62nd NCMAC, "दिव्य दृष्टि: Corporate Excellence – CMA Vision," encapsulates the visionary role that Cost and Management Accountants play in driving corporate excellence and fostering sustainable growth. I am sure that this convention will serve as a significant forum for the professionals to share their insights, explore the latest advancements in the field of cost and management accounting, and deliberate on the ways to contribute to India's economic development, innovation, sustainability, and growth.

I wish all the participants as well as host organisation ICMAI a grand success for this event and convey my best wishes for the release of the ICMAI Souvenir.

(Om Birla)

धर्मेन्द्र प्रधान
ଧର୍ମେନ୍ଦ୍ର ପ୍ରଧାନ
Dharmendra Pradhan

सत्यमेव जयते

आज़ादी का अमृत महोत्सव

शिक्षा मंत्री
भारत सरकार
Minister of Education
Government of India

MESSAGE

I am happy to know that the **Institute of Cost Accountants of India (ICMAI)** is going to organise its "62nd National Cost and Management Accountants' Convention (NCMAC)" with the theme "दिव्य-दृष्टि: Corporate Excellence – CMA Vision" during 23-25 May, 2025 and to mark this occasion, a Souvenir is being brought out.

I am sure, the Convention will present an excellent platform to well-known corporate and business leaders, industry associations and professional communities from different parts of the country, to exchange their ideas and experience on this important theme.

I wish the 62nd NCMAC all success.

(Dharmendra Pradhan)

सबको शिक्षा, अच्छी शिक्षा

MOE - Room No. 301, 'C' Wing, 3rd Floor, Shastri Bhavan, New Delhi-110 001, Phone : 91-11-23782387, Fax : 91-11-23382365
E-mail : minister.sm@gov.in

MOHAN CHARAN MAJHI
CHIEF MINISTER, ODISHA

LOKASEVA BHAVAN
BHUBANESWAR

MESSAGE

I am glad to know that the Institute of Cost Accountants of India is organizing the 62nd National Cost and Management Accountants- 2025 on the theme "Divya Drishti Corporate Excellence- CMA Vison" from 23rd to 25th May 2025 in Bhubaneswar and bringing out a souvenir in commemoration.

Cost and Management Accountants are vital architects of economic efficiency, ensuring judicious use of resources, minimizing waste, and promoting substantial growth. Their role in driving India's economic development is significant.

I am confident that the deliberations at NCMAC-2025 will enrich the technical and professional capabilities of participants, fostering excellence in cost and performance management aligned with the mission and vision of the Institute.

I wish the conference a great success.

(MOHAN CHARAN MAJHI)

Phone : Office : 0674-2531100, 2531500, 2535100 (Fax)

3401 - 19.05.2025

SMT. PRAVATI PARIDA
DEPUTY CHIEF MINISTER
Women & Child Development,
Mission Shakti, Tourism.

Telephone : 0674-2536642
PBX No. :
Mobile No. :

D.O. No. ..../DCMWCDMST.

BHUBANESWAR

Date ....30/04/2025.

Message

Heartiest congratulations to the Institute of Cost Accountants of India (ICMAI) for hosting the 62nd National Cost and Management Accountant's Convention (NCMAC)-2025 on the inspiring theme "Divya Drishti: Corporate Excellence-CMA Vision".

Scheduled from 23rd to 25th May 2025 at SOA University, Bhubaneswar, this convention promises to be a milestone event. CMAs are the catalysts of cost efficiency, growth optimization and economic strength, making their role more critical than ever.

The thoughtfully selected subthemes ranging from Total Cost Management to evolving areas of AI in Accounting and ESG reporting, will spark meaningful dialogues, preparing professionals for future challenges.

I am confident that NCMAC-2025 will serve as a platform for transformative ideas, learning and collaboration. My best wishes to ICMAI for a highly successful convention and a memorable souvenir publication

(Pravati Parida)

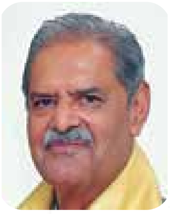
SHRI KANAK VARDHAN SINGH DEO
DEPUTY CHIEF MINISTER
Agriculture & Farmers' Empowerment, Energy

Telephone 0674-2536962 (O)
0674-2390051 (O)
0674-2391560 (Res.)

D.O. No. ..../DCMAFE&E.

BHUBANESWAR

Date ....15.05.2025.......



Message

It gives me immense pleasure to know that Institute of Cost Accountants of India (ICMAI) is organizing its 62^{nd} National Cost and Management Accountants' Convention (NCMAC)-2025 from 23^{rd} to 25^{th} May 2025. To commemorate the occasion a souvenir "Divya Drusti" is to be published.

National Cost and Management Accountants Convention marks a significant stride towards shaping a dynamic future for the profession. CMA stands as pillars of strategic growth, resource stewardship, and financial discipline, playing a transformative role in India's economic journey. I firmly believe that the insights and deliberations of this convention will ignite new thinking, foster innovation, and strengthen the economy.

I extend my best wishes to the Institute of Cost Accountants of India family, the organizers for organizing such a knowledge sharing convention. I wish the publication of the souvenir "Divya Drusti" a great success.

(K.V. Singh Deo)

Baijayant "Jay" Panda
National Vice President, BJP
Chairman, Committee on Public Undertakings
Member of Parliament (Lok Sabha)
Kendrapara, Odisha

सत्यमेव जयते

10 May 25

I, extend my heartfelt congratulations to the Institute of Cost Accountants of India (ICMAI) on organising its 62nd National Cost and Management Accountants' Convention (NCMAC)-2025 on the theme "दिव्य-दृष्टि: Corporate Excellence – CMA Vision." scheduled to be held 23rd to 25th May 2025 at the Convention Centre, Campus-2, SOA University, Bhubaneswar, Odisha.

The convention focuses on critical contemporary areas such as Total and Perpetual Cost Management, artificial intelligence in accounting, and financial reporting frameworks. This showcases ICMAI's proactive approach to equipping CMAs with the skills and perspectives needed for the future.

The inclusion of CMA Leaders' Meet and interactive sessions with global delegates offers a platform for knowledge exchange, collaboration, and the development of innovative solutions to the pressing challenges in financial management and regulatory compliance.

I am confident that the deliberations and insights emerging from NCMAC-2025 will serve as valuable inputs for shaping transparent and performance-driven financial ecosystems. This convention also reinforces the crucial role CMAs play in enabling efficient resource utilisation, ensuring fiscal discipline, and supporting the broader vision of national development.

I wish the **ICMAI** and the entire organising team great success in this endeavour.

Jay Panda

(Baijayant "Jay" Panda)

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BHARTRUHARI MAHTAB
Member of Parliament (Lok Sabha)
CHAIRPERSON
Standing Committee on Finance

सत्यमेव जयते

DEPUTY CHAIRMAN
Committee of Parliament on
Official Language,
Ministry of Home Affairs,
Government of India

2nd May, 2025

MESSAGE

I am delighted to learn that the Institute of Cost Accountants of India is hosting the **62nd National Cost and Management Accountants' Convention (NCMAC) – 2025,** a three-day event themed "'दिव्य-दृष्टि: **Corporate Excellence – CMA Vision'** during 23rd to 25th May, 2025 in the Temple City, Bhubaneswar and I am pleased to note that a Souvenir will be published to commemorate this significant national mega event.

The primary objective of this convention is to foster meaningful discussions on critical topics where Cost and Management Accountants (CMAs) can contribute significantly to their organizations and to India's broader economic and societal progress.

As India progresses in its transformation journey, the selected sub-themes are both relevant and timely. Discussions on topics such as Total Cost Management (TCM) & Perpetual Cost Management, Navigating the Direct and Indirect Tax Landscape, Financial Shenanigans & AI in Accounting and The Recipe for Financial Reporting (Ind AS, BRSR & ESG) are expected to yield valuable insights. Additionally, the CMA Leaders' Meet promises to be an excellent platform for guiding the next generation of leaders and assisting them in understanding their role in shaping Viksit Bharat.

I extend my heartfelt congratulations to the organizing team for their dedicated efforts in orchestrating this prestigious event. I wish them great success for the convention and the publication of the commemorative Souvenir.

(BHARTRUHARI MAHTAB)

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Residence: AB-94, Shahjahan Road, New Delhi-110 011 • Phone:011-23782589

सुजीत कुमार
SUJEET KUMAR
ସୁଜିତ କୁମାର
Member of Parliament
(Rajya Sabha)

सत्यमेव जयते

MEMBER:
- Standing Committee on Science & Technology, Environment, Forests and Climate Change
- Consultative Committee for External Affairs
- Indian Council of World Affairs (ICWA)
- Executive Committee, Bar Association of India (BAI)

I am delighted to learn that the Institute of Cost Accountants of India is hosting the **62nd National Cost and Management Accountants' Convention (NCMAC) – 2025,** a three-day event themed **"दिव्य-दृष्टि: Corporate Excellence – CMA Vision'**during 23rd to 25th May, 2025 in the Temple City, Bhubaneswar, and I am equally pleased to note that a Souvenir will be published to commemorate this significant national event.

The primary objective of this convention, I am told, is to foster meaningful discussions on critical topics where Cost and Management Accountants (CMAs) can contribute significantly to their organizations and to India's broader economic and societal progress.

As India moves forward in its transformation journey of achieving its goal of a *Vikasit Bharat* by 2047, the chosen sub-themes are highly relevant and timely. Discussions on topics such as ***Total Cost Management (TCM) & Perpetual Cost Management, Navigating the Direct and Indirect Tax Landscape, Financial Shenanigans & AI in Accounting and The Recipe for Financial Reporting (Ind AS, BRSR & ESG)*** are expected to generate valuable insights, relevant for the India growth story. Additionally, the CMA Leaders' Meet promises to be an excellent platform for guiding the next generation of leaders and helping them to understand their role in shaping Viksit Bharat.

My heartfelt congratulations to the organizing team for their dedicated effort putting together in organizing this prestigious event. I extend my best wishes for the grand success of the convention and also the publication of the commemorative Souvenir.

19/05/25

(SUJEET KUMAR)

C-1/12, Humayun Road, New Delhi-110003
Plot-152, Next to Aum Building, Patia Square
Bhubaneswar-751024, Odisha

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दीप्ति गौड़ मुकर्जी, आईएएस
सचिव
Deepti Gaur Mukerjee, IAS
Secretary

सत्यमेव जयते

भारत सरकार
कारपोरेट कार्य मंत्रालय
नई दिल्ली
Government of India
Ministry of Corporate Affairs
New Delhi

19th May, 2025.

Message

. I am delighted to learn that the Institute of Cost Accountants of India is hosting the **62nd National Cost and Management Accountants' Convention (NCMAC) – 2025,** a three-day event themed ' **दिव्य-दृष्टि: Corporate Excellence – CMA Vision'** during 23rd to 25th May, 2025 in the Temple City, Bhubaneswar and I am pleased to note that a Souvenir will be published to commemorate this significant national mega event.

The primary objective of this convention is to foster meaningful discussions on critical topics where Cost Accountants can contribute significantly to their organizations and to India's broader economic and societal progress.

My heartfelt congratulations to the organizing team for their dedicated effort putting together in organizing this prestigious event. I extend my best wishes for the grand success of the convention and also the publication of the commemorative Souvenir.

(Deepti Gaur Mukerjee)

कमरा नं. 519, ए विंग, शास्त्री भवन, नई दिल्ली-110001
Room No. 519, 'A' Wing, Shastri Bhawan, New Delhi-110001
Phone : 91-11-23382324, 23384017, Fax : 91-11-23384257, E-mail : secy.mca@nic.in

CMA Pradip Kumar Das
Chairman & Managing Director
IREDA

MESSAGE

I am pleased to extend my warmest greetings and best wishes to the organizers, participants, and stakeholders of the 62nd NCMAC- 2025 scheduled to be held in Bhubaneswar, Odisha, from May 23 to 25, 2025.

The theme **"Divya Drishti : Corporate Excellence - CMA Vision"** underscores the evolving role of Cost and Management Accountants (CMAs) in shaping India's corporate landscape. This convention will provide a platform for CMAs to engage with key stakeholders, explore emerging trends and discuss critical topics such as Cost Management, Artificial Intelligence in finance, sustainability and recent developments in taxation.

CMAs play a vital role in nation-building by ensuring accurate financial reporting, taxation, and cost auditing. By sharing insights and experiences, we can collectively contribute to India's economic future. The 62nd NCMAC-2025 is an excellent opportunity for CMAs to come together, share knowledge and learn from each other. It serves as a platform to harness the collective strength of CMAs in advancing India's economic growth. I encourage all CMAs to participate actively in the convention's discussions and deliberations.

As we strive to build a prosperous future for India, prioritizing financial management and sustainability is essential. Through collaboration, we can create a brighter future driven by informed decision-making, prudent financial management and sustainable practices.

I extend my best wishes to the Institute of Cost Accountants of India (ICMAI) for the grand success of NCMAC - 2025. I am confident that this convention will be a landmark event in the history of the CMA Profession in India.

Let us join hands to make this convention a resounding success. I look forward to seeing you all in Bhubaneswar.

Best regards,

CMA Pradip Kumar Das

CMA Asim Kumar Mukhopadhyay
CEO and Managing Director
Tata Motors Smart City Mobility Solutions Limited
(A wholly owned Subsidiary of Tata Motors Ltd.)
Mumbai

MESSAGE

It gives me immense pleasure to extend my warm greetings to all participants, organizers, and distinguished guests attending the National Cost and Management Accountants Convention 2025.

This convention serves as a vital platform for fostering dialogue, sharing knowledge, and aligning our profession with the evolving demands of the global economy. In today's dynamic business landscape—shaped by sustainability imperatives, digital transformation, and geo-economic shifts—the role of Cost and Management Accountants has never been more pivotal. As custodians of value creation and strategic cost management, CMAs are uniquely positioned to guide organizations toward resilient, ethical, and performance-driven outcomes.

I commend President / Council members and all others concerned of the Institute for their continued commitment to excellence, innovation, and nation-building through capacity enhancement and thought leadership. Let this convention inspire new ideas, deepen professional camaraderie, and reaffirm our collective responsibility to shape a financially sound and sustainable future. This will take the vision and mission of the Institute a leap forward and contribute towards nation building for Vikshit Bharat 2047.

Wishing the convention great success and meaningful deliberations.

Warm regards,

CMA Asim Kumar Mukhopadhyay

MESSAGE

It is with immense pride and warm wishes that I extend my heartfelt congratulations to The Institute of Cost Accountants of India on the occasion of the 62nd National Cost and Management Accountants' Convention (NCMAC) 2025, being held in the vibrant city of Bhubaneswar, Odisha.

This year's theme, *"Corporate Excellence – CMA Vision"*, is not only timely but also visionary. As the global economic environment rapidly evolves, CMAs stand at the forefront of strategic leadership. The emphasis on innovation, sustainability, data-driven decision making, and ethical governance reflects the profession's dynamic transformation into a cornerstone of corporate success.

I applaud the Institute's relentless efforts in empowering CMAs to meet emerging challenges through continuous learning, technological adoption, and value-driven practices. Events like NCMAC serve as beacons of knowledge, collaboration, and inspiration for professionals who are committed to driving efficiency, transparency, and sustainability in businesses across the globe.

May this convention be a grand success, fostering new ideas, stronger networks, and a shared commitment to excellence; I wish the organizing committee and all participants an enriching and memorable experience.

With warm regards and best wishes

CMA Partha S Bhattacharyya
ICON of CMA Profession (2011)
Chairman, Peerless Group
Former CMD, Coal India Limited

Sanjay Budhia
Managing Director – PATTON Group
& Chairman – CII National Committee on Exports and Imports

MESSAGE

I convey my Very Best Wishes to the Institute of Cost Accountants of India on the occasion of 62nd National Cost and Management Accountants Convention (NCMAC) – 2025.

CMAs play the most important role as eyes and ears in making vital business decisions whether in on-going Organisation or for any new acquisition or expansion. They put the mirror in front.

My Very Best Wishes to the budding CMAs for a very bright and responsible future.

Sanjay Budhia

CMA P. Vasudevan
Executive Director
Reserve Bank of India

MESSAGE

In a competitive market with shrinking margins, cost efficiency and resource optimisation are key. Cost & Management Accountants (CMAs) play a crucial role in this, especially with techniques for building economies of scale and conducting scientific cost-benefit analysis. I acknowledge their contribution and wish the ICMAI and the profession further success, along with a purposeful Convention.

CMA P. Vasudevan

Message

62nd National Cost and Management Accountants' Convention - 2025
Theme: *Corporate Excellence: CMA Vision*

It gives me immense pleasure to extend my heartfelt greetings to all participants of the 62nd National Cost and Management Accountants' Convention - 2025, organized by the Institute of Cost Accountants of India. The convention's theme — ***"Corporate Excellence: CMA Vision"*** — is not only timely but also deeply aligned with the evolving aspirations of the Indian economy and global business.

Corporate excellence today is measured not just by profitability, but by purpose, performance, and sustainability. In this context, Cost and Management Accountants have a critical role to play in shaping strategies that are efficient, ethical, and future-ready. Their unique skill set, rooted in cost optimization, resource management, and financial stewardship, positions them as key drivers of corporate value and competitiveness.

The CMA Vision, as reflected in this convention, must encompass innovation, accountability, and resilience. It must guide enterprises towards decisions that balance economic ambition with social responsibility — a principle that is increasingly central in today's stakeholder-driven business landscape.

I commend the Institute for its unwavering dedication to empowering professionals with the tools and vision required to navigate complexity and create impact. This convention is not only a celebration of knowledge and collaboration, but also a reaffirmation of the profession's commitment to national progress and global excellence.

I wish the 62nd Convention great success and hope the insights shared and bonds formed during this gathering will contribute meaningfully to the journey toward corporate excellence and a stronger India.

With best wishes for a successful convention,

MOHIT MALPANI
ED (F&A), DSP & ASP
STEEL AUTHORITY OF INDIA LTD

MESSAGE

As we step into an era defined by constant disruption, accelerated innovation, and heightened stakeholder expectations, the role of the Cost and Management Accountant has never been more pivotal. The 62nd National Cost and Management Accountants Convention 2025 stands as a beacon for thought leadership, knowledge exchange, and the collective pursuit of excellence.

This year's theme, **"Corporate Excellence – CMA Vision"**, captures the spirit of transformation and foresight. It challenges us to redefine value creation, not just in terms of financial performance, but through sustainable growth, ethical leadership, technological adoption, and strategic agility. The 62nd NCMAC stands as a testament to the evolving force of the Cost and Management Accountancy profession—one that is no longer confined to numbers and cost sheets, but is actively shaping boardroom strategies and national policies. The theme, *"Corporate Excellence – CMA Vision,"* couldn't be more timely or relevant. As businesses undergo tectonic shifts—driven by digitization, ESG priorities, economic disruptions, and stakeholder capitalism—the role of CMAs is being redefined at its very core.

This convention is more than a meet-up; it is a clarion call for CMAs to rise as **strategic navigators, sustainability enablers**, and **data-driven leaders**. The *CMA Leaders Meet 2025* signifies the need to create a unified force of professionals who are equipped not only with expertise, but also with foresight, agility, and ethical conviction.

As leader, we must look beyond compliance and reporting. The time has come to embed cost consciousness into the DNA of corporate governance and fuel performance with purpose. With India stepping confidently into its Viksit Bharat journey, CMAs must evolve from being financial custodians to architects of value creation.

Let this convention be a launchpad for next-gen CMA leadership—where excellence is not just a benchmark, but a mindset. Together, let us not just adapt to change but lead it—with vision, integrity, and innovation. CMAs are uniquely equipped to bridge operational realities with strategic goals. From data-driven decision-making to cost optimization, ESG integration to risk intelligence, our profession is shaping the future of corporate governance and accountability.

Let us leverage this platform to share, collaborate, and co-create a roadmap that propels India Inc. towards global benchmarks of performance and purpose.

Let the CMA vision lead. Let corporate excellence follow.

I extend my warm greetings to the organizers and wish the convocation a grand success

Arup Mukherjee

Arup Mukherjee
Executive Director(F&A)
Steel Authority of India Limited
IISCO Steel Plant

अभय कुमार बेहुरिया
कार्यकारी निदेशक (वित्त एवं लेखा)
ABHAY KUMAR BEHURIA
Executive Director (F&A)

सेल SAIL

स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED
राउरकेला इस्पात संयंत्र
ROURKELA STEEL PLANT

MESSAGE

I am glad to note that the Institute of Cost Accountants of India is organizing the 62nd National Cost and Management Accountants' Convention(NCMAC) -2025 themed "*दिव्य दृष्टि:* Corporate Excellence- CMA Vision" from 23rd to 25th May,2025. The theme chosen by the organizers is relevant and important.

This convention marks not just a milestone in our collective journey, but a tribute to the vision, commitment, and collaborative spirit that have shaped our achievements. Conventions like these are an apt platform for knowledge dissemination and up-gradation of skills. The convention aims to enlighten the members on topical issues such as CMA-Vision, Total & Perpetual cost Management, Navigating the Direct and Indirect Tax Landscape, AI in Accounting, ESG Framework etc by eminent experts. The subjects to be discussed are very topical and will certainly enrich the knowledge of those attending.

I am sure that the delegates would take advantage of this convention to up-skill, empower and enlighten themselves in the best interests of the profession.

I compliment the Institute of Cost Accountants of India for the professional initiatives taken for the betterment of the profession and in turn enhancing the brand ICMAI.

I convey my best wishes to all the participants and wish the event a resounding success.

17/05/2025

(Abhay Kumar Behuria)

राउरकेला-769 011, उड़िशा, दूरभाषा : (का) +91-661-2510078, मो- 9477702014, ई-मेल : abhaykumarbehuria@sail.in
Rourkela-769 011 , Odisha, Phone : (Off.) +91-661-2510078, Mob.- 9477702014, E-mail : abhaykumarbehuria@sail.in

हर किसी की जिन्दगी से जुड़ा हुआ है सेल

There's little bit of SAIL in everybody's life

MESSAGE

It is with great honour and profound pride that I extend my heartfelt greetings on the 62nd National Cost and Management Accountants' Convention (NCMAC) 2025, hosted in the historic and culturally vibrant city of Bhubaneswar, Odisha—a land renowned for its temples, heritage, and timeless traditions. This convention is not merely a professional milestone; it is a testament to the enduring values that define our profession: knowledge, integrity, collaboration, and a commitment to excellence.

The theme of this year's convention, *"Corporate Excellence – CMA Vision"*, encapsulates the essence of our profession's journey. Much like the intricate rhythms of classical Indian music or the disciplined grace of traditional dance, the role of Cost and Management Accountants blends analytical precision with strategic vision. In an era defined by rapid technological advancements and global transformation, our ability to harmonize tradition with innovation sets us apart as trusted stewards of corporate governance and sustainable growth.

As CMAs, we are called to lead with foresight, uphold ethical standards, and contribute meaningfully to the nation's economic progress. This convention serves as a platform to reflect on our shared heritage, exchange ideas, and forge pathways for the future. Let us draw inspiration from Bhubaneswar's rich cultural legacy and our profession's proud history to strengthen our resolve in shaping a resilient and prosperous tomorrow.

I encourage all participants to engage actively, share insights, and build lasting connections that will enrich our professional community. May NCMAC 2025 ignite your passion, elevate your vision, and reinforce our collective commitment to excellence in service to our nation and the global community.

With warmest wishes for a successful, inspiring, and memorable convention

CMA Anjani Kumar Tiwari
Member, PNGRB
Former Director (Finance),
GAIL India Limited

मुकेश अग्रवाल
निदेशक (वित्त)
कोल इण्डिया लिमिटेड
Mukesh Agrawal
Director (Finance)
Coal India Ltd.

कोल इण्डिया लिमिटेड
COAL INDIA LIMITED
(A MAHARATNA COMPANY)
A Govt. of India Enterprise
"COAL BHAWAN"
Premises No. 04 MAR, Plot No. AF-III
Action Area - 1A, New Town, Rajarhat
Kolkata - 700 163

MESSAGE

It is with great pleasure that I extend my heartfelt greetings and best wishes to all organizers, participants, and stakeholders of the 62nd National Cost and Management Accountants' Convention (NCMAC) 2025, scheduled to be held in Bhubaneswar, Odisha, from May 23 to 25, 2025.

The chosen theme, **"दिव्य-दृष्टि: Corporate Excellence – CMA Vision,"** aptly reflects the evolving and strategic role of Cost and Management Accountants (CMAs) in shaping India's corporate landscape. This convention offers a valuable platform for CMAs to engage with key stakeholders, explore emerging trends, and deliberate on critical topics such as cost management, artificial intelligence in finance, sustainability, and the latest developments in taxation.

As CMAs, you play a vital role in nation-building by ensuring accurate financial reporting, taxation, and cost auditing etc. CMA expertise and knowledge are crucial for driving economic growth, and I believe that by sharing your insights and experiences, we can collectively contribute to India's economic future.

As we collectively endeavour to build a prosperous future for our nation, it is imperative to prioritize robust financial system and sustainable practices. We can pave the way for enduring economic growth through collaborative efforts, informed decision-making, and prudent financial strategies.

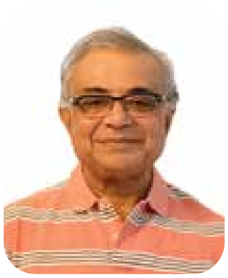
I extend my heartfelt best wishes to the Institute of Cost Accountants of India (ICMAI) for the grand success of the 62nd National Cost and Management Accountants' Convention (NCMAC) 2025. I am confident that this conference will serve as a landmark event in the history of the CMA profession in India, fostering insightful discussions and innovative ideas.

Let us unite our efforts to ensure the resounding success of this significant convention. I eagerly anticipate the opportunity to engage with you all in Bhubaneswar.

Best regards,

CMA Mukesh Agrawal
Director Finance
Coal India Limited

Ph. : Off. : (033) 2324 4196 / Fax : (033) 2324 4104 ■ Email : df.cil@coalindia.in ■ Website : www.coalindia.in
CIN - L23109WB1973GOI028844



D D Purkayastha
Director ABP
Calcutta

MESSAGE

Divya Drishti is nothing but Vision. This vision is based upon one's experiences and what is learnt from professional education imparted by the Institute of Cost Accountants of India (ICMAI)

D D Purkayastha

MESSAGE

As we gather for the 62nd National Cost and Management Accountants' Convention (NCMAC) 2025, it is a moment of reflection, recognition, and reinvention. The world of business strategy is experiencing unprecedented transformation, and at the heart of this evolution stand the Cost and Management Accountants (CMAs)—advisors, analysts, and architects of sustainable value.

The chosen theme, *"Corporate Excellence – CMA Vision,"* resonates powerfully with the global imperative for financial integrity, operational agility, and strategic insight. Today's CMAs are no longer confined to traditional roles—they are dynamic leaders equipped with the tools of tomorrow: artificial intelligence, ESG frameworks, data analytics, and perpetual cost management methodologies.

This convention is not just an event—it is a testament to the resilience and adaptability of the CMA community. It exemplifies the collective aspiration to move beyond compliance and towards innovation, to influence boardrooms, and to create lasting impact in both corporate and societal domains.

I extend my deepest appreciation to The Institute of Cost Accountants of India for providing a platform where knowledge converges with action. May this convention ignite meaningful dialogue, foster leadership, and chart a visionary path for the future of the profession.

With best wishes

CMA Dinesh Kumar Sarraf
ICON of CMA Profession (2012)
Former CMD, ONGC Limited
Former Chairperson, PNGRB
Former MD & CEO, ONGC Videsh Limited

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

MESSAGE

I am truly honoured to extend a warm welcome to all of you to the **62nd National Cost and Management Accountants' Convention (NCMAC) - 2025**, organized by The Institute of Cost Accountants of India from 23rd to 25th May 2025 at the Convention Centre, Campus-2, SOA University, Bhubaneswar, Odisha. The theme for this year's convention, *"दिव्य दृष्टि – Corporate Excellence - CMA Vision,"* perfectly captures the essence of the journey we aspire to undertake together.

This year, the convention aims to focus on shaping the future of Cost and Management Accounting in our country. With the rapid advancements in technology, evolving regulatory frameworks, and dynamic global business trends, it has become more important than ever to align our accounting practices with the emerging standards of sustainability, transparency, and strategic decision-making.

The theme Corporate Excellence - CMA Vision as दिव्य दृष्टि sets the tone for transformative discussions and collaborative initiatives, aimed at strengthening corporate governance, advancing financial strategies, and promoting sustainable practices in today's fast-changing business environment. NCMAC 2025 promises to bring together the finest minds in the profession, creating a vibrant platform for professionals and industry leaders to exchange knowledge, explore opportunities, and propel the vision of corporate excellence forward.

The success of this convention lies in the collective participation, energy, and commitment of every individual present. It is your dedication to excellence that drives the profession to greater heights.

I would like to conclude with an inspiring quote from Swami Vivekananda:

"In a day, when you don't come across any problems – you can be sure that you are traveling on the wrong path."

Let this powerful thought inspire us to embrace challenges as milestones on our journey toward excellence.

With best regards,

CMA Bibhuti Bhusan Nayak

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

MESSAGE

It gives me immense pleasure to welcome you all at the **62nd National Cost and Management Accountants' Convention (62 NCMAC)** organised by The Institute of Cost Accountants of India on 23rd - 25th May 2025 at the Convention Centre, Campus - 2, SOA University, Bhubaneswar, Odisha on the theme **"दिव्य दृष्टि - Corporate Excellence - CMA Vision."**

This esteemed event brings together professionals, experts, and thought leaders from across the industry to explore and discuss the ever-evolving role of Cost and Management Accountants in shaping sustainable business practices, driving financial efficiency, and providing strategic insights in today's dynamic economic landscape.

The theme of this year's convention serves as a testament to the critical role Cost and Management Accountants in fostering innovation, streamlining operations, and optimizing financial performance for organizations. The ongoing transformation of global markets, driven by technological advancements and shifting economic trends, requires a fresh and adaptive approach to financial management—one that ensures both profitability and responsibility.

As we come together for the 62nd NCMAC, let us embrace the opportunities that this platform offers to enhance our knowledge, exchange ideas, and inspire each other towards continued excellence. Let us work together to build stronger, more resilient economies through the application of sound management accounting principles and practices.

We look forward to the insightful discussions and collaborative efforts that will emerge from this convention and also confident that the collective contributions of the professionals here will have a lasting positive impact on the field.

Jai Hind!!

CMA TCA Srinivasa Prasad

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

MESSAGE

This year our Institute is organising its **62nd National Cost and Management Accountants' Convention (62 NCMAC)** on 23rd - 25th May, 2025 at the Convention Centre, Campus - 2, SOA University, Bhubaneswar, Odisha on the theme **"दिव्य दृष्टि - Corporate Excellence - CMA Vision."**

Corporate excellence in our field involves optimizing and managing costs effectively to achieve organizational goals, improve profitability, and enhance competitive advantage, this includes analyzing costs, identifying areas for improvement, implementing cost-saving measures, and fostering a culture of cost awareness and control throughout the organization.

As Cost and Management Accounting has been undergoing a significant transformation with the technological advancements, globalization, regulatory changes and evolving business models. CMAs are all set to play a vital strategic role in business decision-making and cost management. CMA profession is evolving from a cost-focused role to a strategic business partner and those who innovate and embrace change will thrive into the future economic scenario.

Nowadays, Artificial Intelligence is significantly impacting the modern corporate world by automating task processing, improving financial accuracy, fraud detection and enhance decision-making process. It supports in areas like data collection, analysis, reporting, and forecasting, ultimately leading to Cost reduction, Cost control, and increased managerial efficiency. In this rapidly changing business or corporate environment governments and regulatory bodies frequently update regulations, standards and procedures so making it essential for all professionals to stay updated every point of time.

We welcome all the participants at the NCMAC 2025 and seek active contribution towards making this Annual Event of the Institute of Cost Accountants of India a grand success.

Manoj Kumar Anand

CMA Manoj Kumar Anand

CMA Harshad S Deshpande
Council Member, ICMAI &
Chairman, Souvenir Committee - 62nd NCMAC, 2025

MESSAGE

It is with abundant pride and honor that Institute of Cost Accountants of India (ICMAI) hosting 62nd National Cost and Management Accountants' Convention (NCMAC) 2025, on 23rd – 25th May 2025. This prestigious convention stands as a testament to the institute's enduring commitment to fostering excellence, innovation, and integrity in the domain of Cost and Management Accounting.

The theme **"दिव्य दृष्टि - Corporate Excellence - CMA Vision"** encapsulates the pivotal role that Cost and Management Accountants (CMAs) play in shaping sustainable, competitive, and future-ready organizations. In an era marked by rapid technological change, evolving regulatory landscapes, and the growing importance of ESG (Environmental, Social, and Governance) standards, CMAs are uniquely positioned to drive value creation across sectors.

Corporate excellence is not merely a measure of profitability, but a reflection of resilience, ethical governance, strategic foresight, and stakeholder value. They ensured financial discipline and transparency through accurate cost analysis and performance reporting, driving strategic decision-making with actionable insights and data-driven forecasting, promoting sustainability and responsible business practices aligned with long-term value creation, ensuring compliance with dynamic regulatory frameworks and supporting corporate governance.

This convention is an opportunity for professionals, industry leaders, policymakers, and academia to come together and deliberate on the evolving responsibilities of CMAs and how they can continue to be catalysts of transformation in the pursuit of corporate excellence.

I look forward to an enriching and inspiring gathering that will not only celebrate the achievements of our profession but also chart a visionary course for the future.

Deshpande

CMA Harshad S Deshpande

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

MESSAGE

It is with great pride and enthusiasm that we extend our warmest greetings on the grand occasion of the 62nd National Cost and Management Accountants' Convention (NCMAC), organised by The Institute of Cost Accountants of India on 23rd to 25th May 2025 at the prestigious Convention Centre, SOA University, Bhubaneswar, this gathering marks a significant milestone in the journey of professional excellence, thought leadership, and strategic vision in the field of Cost and Management Accounting.

This year's theme, "दिव्य दृष्टि - Corporate Excellence - CMA Vision" beautifully captures the transformative role of CMAs in guiding businesses toward sustainable success and ethical governance. The concept of दिव्य दृष्टि (divine vision) underlines the foresight, clarity, and purpose that Cost and Management Accountants must embody in today's complex and dynamic corporate environment.

As we navigate through an era defined by digital disruption, ESG imperatives, and global economic challenges, the CMA profession stands as a beacon of value creation, transparency, and strategic insight. This convention offers a platform for sharing valuable inputs, exchanging innovative ideas, and reinforcing our collective commitment to driving corporate excellence in India and beyond.

Let us celebrate the legacy, embrace the responsibility, and envision a future where the CMA fraternity continues to lead with integrity, wisdom, and दिव्य दृष्टि.

I extend my heartfelt gratitude to all the contributors for publishing the souvenir on time and also for its contents. Also, my best wishes for successful conduct, grand success and lasting impact of NCMAC 2025.

CMA Subhasish Chakraborty

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

MESSAGE

It gives me immense pleasure to extend heartfelt wishes to all participants, dignitaries and organizers of the **62^{nd} National Cost and Management Accountants' Convention (62^{nd} NCMAC),** hosted by **The Institute of Cost Accountants of India on 23^{rd} – 25^{th} May, 2025 at Convention Centre, Campus - 2, SOA University, Bhubaneswar - 30, Odisha.**

With the theme **"दिव्य दृष्टि - Corporate Excellence – CMA Vision,"** this convention brings to light the critical role of Cost and Management Accountants in today's evolving economic landscape. This year's theme has a visionary perspective guided by wisdom, ethics and foresight—aptly reflects the transformative contribution of the CMA profession toward building a robust and resilient corporate framework.

As professionals entrusted with driving financial discipline, strategic decision-making and value creation, CMAs are uniquely positioned to lead organizations toward excellence. This national convention offers a powerful forum for collaboration, learning and innovation — reinforcing the importance of collective vision and purpose.

May the deliberations and exchanges during the 62^{nd} NCMAC inspire new ideas, strengthen professional networks and pave the way for a future defined by responsible growth and enduring excellence.

Wishing the event great success and meaningful outcomes.

CMA Ramesh Chandra Patra

ELECTED MEMBERS OF THE COUNCIL (2023 - 2027)

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

CMA Bibhuti Bhusan Nayak
President

CMA TCA Srinivasa Prasad
Vice President

CMA Ashwin G. Dalwadi
Immediate Former President

CMA (Dr.) Ashish Prakash Thatte

CMA Avijit Goswami

CMA Chittaranjan Chattopadhyay

CMA Harshad Shamkant Deshpande

CMA (Dr.) K Ch A V S N Murthy

CMA Manoj Kumar Anand

CMA Navneet Kumar Jain

CMA Neeraj Dhananjay Joshi

CMA Rajendra Singh Bhati

CMA Suresh Rachappa Gunjalli

CMA (Dr.) V. Murali

CMA Vinayaranjan P

CS (Dr.) Shyam Agarwal
Govt. Nominee

Shri Sushil Kumar, IAS (Retd.)
Govt. Nominee

Shri Inder Deep Singh Dhariwal, Govt. Nominee

Ms Anita Shah Akella
Govt. Nominee

Shri Jyoti Prakash Gadia
Govt. Nominee

FORMER PRESIDENTS


Ashwin G. Dalwadi
(2023-24)


Vijender Sharma
(2022-23)


P Raju Iyer
(2021-22)


Biswarup Basu
(2020-21)


Balwinder Singh
(2019-20)


Amit Anand Apte
(2018-2019)


SANJAY GUPTA
(2017-2018)

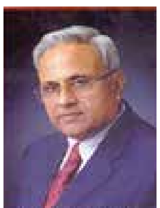

MANAS KUMAR THAKUR
(2016-2017)


P V BHATTAD
(2015-2016)


Dr. A. S. DURGA PRASAD
(2014-2015)


Dr. SURESH CH. MOHANTY
(2013-2014)


RAKESH SINGH
(2012-2013)

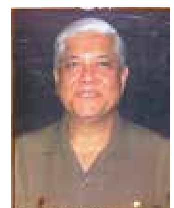

M. GOPALAKRISHNAN
(2011-2012)


B.M. SHARMA
(2010 - 2011)


G.N. VENKATARAMAN
(2009 - 2010)

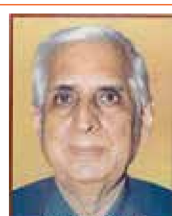

KUNAL BANERJEE
(2008 - 2009)


CHANDRA WADHWA
(2007 - 2008)


D.V. JOSHI
(2006-2007)


PRAVAKAR MOHANTY
(2005-2006)


DR. H.R. SUBRAMANYA
(2004-2005)


K.L. JAISINGH
(2003-2004)


B.V. RAMANA MURTY
(2002-2003)


V.V. DEODHAR
(2001-2002)


D.C. BAJAJ
(2000-2001)

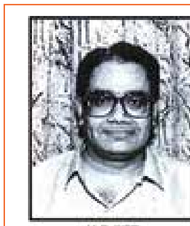

MAHESH SHAH
(1999-2000)


R.J. GOEL
(1998-99)


AMAL KUMAR DAS
(1997-98)


N.P. SUKUMARAN
(1996-97)


HARIJIBAN BANERJEE
(1995-96)


V. R. IYER
(1994-95)

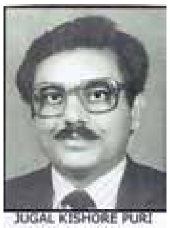

BUDDHA DEV BOSE
(1993-94)


G.B. RAO
(1992-93)


P.D. PHADKE
(1991-92)

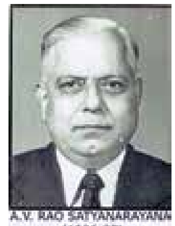
FORMER PRESIDENTS


SANKAR DATTA
(1990-91)

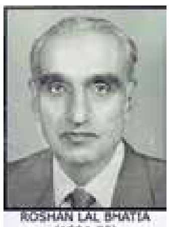

JUGAL KISHORE PURI
(1989-90)


PRAMOD D. PARKHI
(1988-89)


S. RAMANATHAN
(1987-88)


A.V. RAO SATYANARAYANA
(1986-87)


P.S. NADKARNI
(1985-86)


ROSHAN LAL BHATIA
(1984-85)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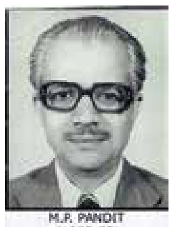
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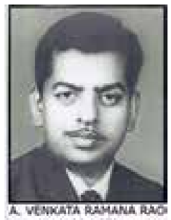
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V. BASAVARAJU
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N.K. ROY
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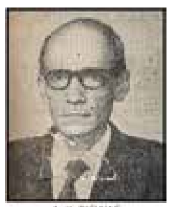
S.K. MITRA
(1977-78)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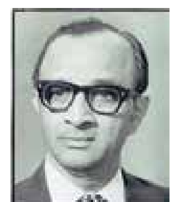
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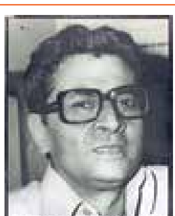
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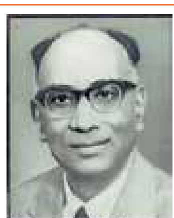
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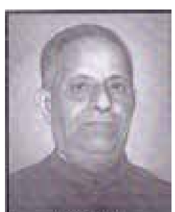
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N. K. BOSE
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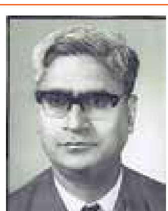
S.V. IYER
(1967-68)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V.K. SRINIVASAN
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D.D. KALRA
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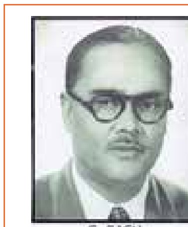
J.N. BOSE
(1963-64)


V. SRINIVASAN
(1962-63)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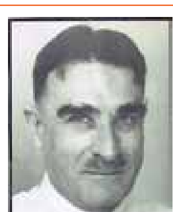
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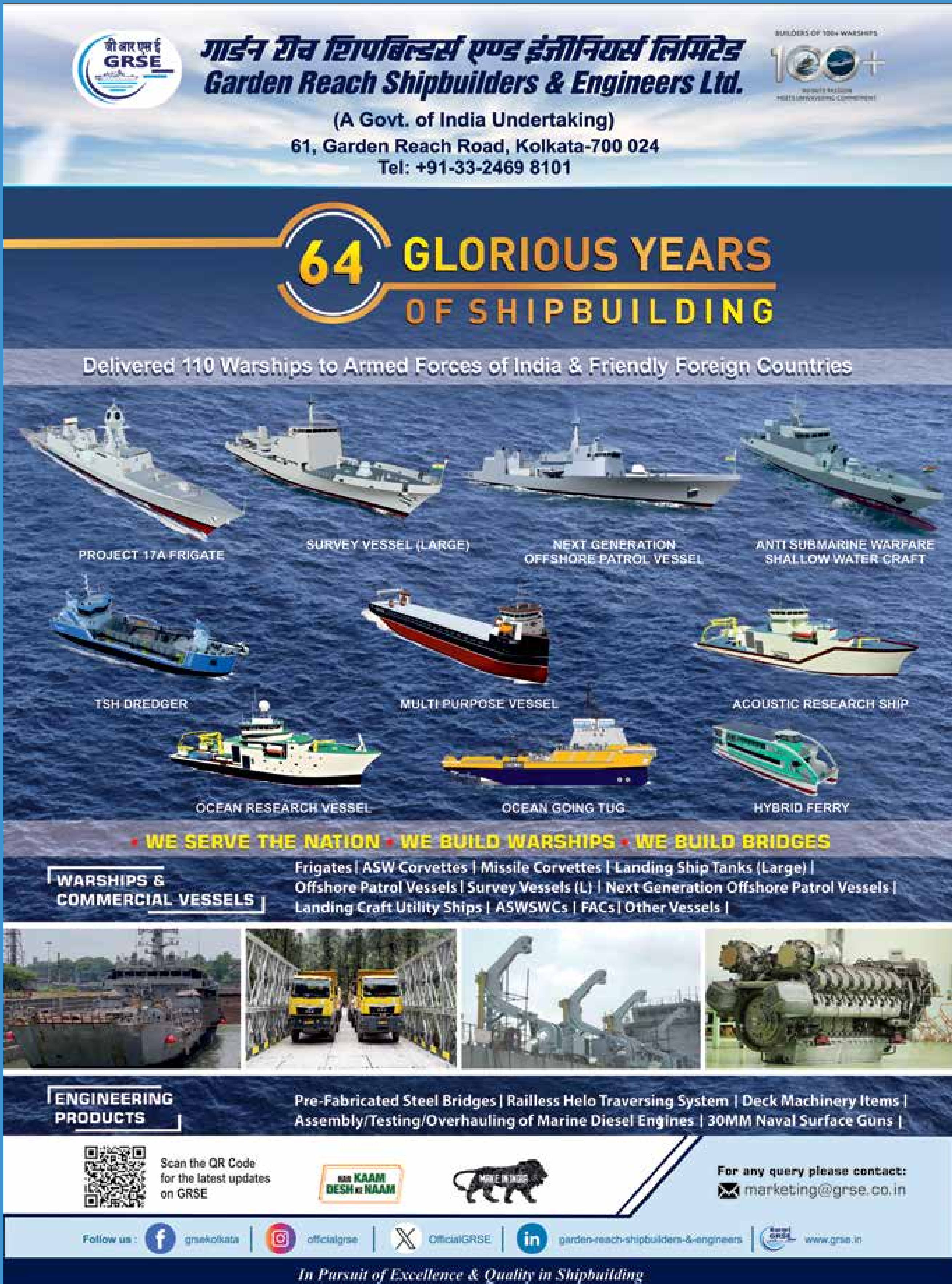
M. SHOAIB
(1944-48)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THE LEDGER LIES: CORPORATE EXCELLENCE IN THE AGE OF FINANCIAL SHENANIGANS & ARTIFICIAL INTELLIGENCE

Abstract

AI is a tool in accounting, but human ethics are crucial for maintaining trust and credibility. True value lies in ethical practices and transparent systems, not just financial gains. Let's use AI for accurate, not embellished, financial reporting. Ethical engineering is the real measure of excellence in the age of AI.

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The Illusion of Truth in Numbers

Financial data is often seen as the ultimate truth in boardrooms and investor presentations. But behind the spreadsheet's precision, there lies a dangerous potential for deception—a temptation some companies struggle to resist.. Financial statements, audit reports, and annual disclosures form the foundation upon which investors, regulators, and the public build trust. Yet, history has repeatedly shown that numbers were used tacitly to tell a different story—a rosier one, often crafted to conceal underlying vulnerabilities. This deliberate and systematic demonstration is what experts call financial shenanigans.

Understanding Financial Shenanigans

The term "financial shenanigans" was popularized by forensic accountant Howard Schilit, who spent decades exposing how companies manipulate their books. These aren't always outright frauds; instead, they involve clever reinterpretations of accounting rules, strategic deferrals or accelerations of revenue and expense recognition, and the use of misleading performance indicators to create an illusion of financial health. The danger lies not just in deception but in the erosion of transparency and accountability within the system.

Schilit's analysis reveals that accounting manipulation often falls into three broad traps: tweaking profits to mislead earnings, distorting cash flows to appear solvent, and dressing up metrics to impress investors. Each of these tactics, though different in mechanics, aims to construct a false sense of security.

- **Earnings Manipulation:** Among the most frequent deceptive practices is the deliberate adjustment of the income statement to exaggerate profits or conceal losses. This could involve prematurely recording revenue or recognizing income from unreliable sources. Additionally, companies might defer expense recognition or reclassify operational costs as capital expenditures to inflate profitability.

- **Cash Flow Distortion:** Since investors often rely on cash flow statements for a more grounded view of performance, some companies manipulate these too. One method is to reclassify financing inflows as operating cash flows, thereby overstating operational health. Others resort to last-minute activities like factoring invoices to temporarily increase cash inflows.

- **Misleading Performance Metrics:** Many firms present non-standard financial indicators to project a healthier image. These include metrics like "adjusted EBITDA" that exclude essential recurring costs or selectively defined figures like "pro forma revenue." Companies may also revise metric definitions to align with a desired narrative. In the highlighted case, leadership promoted a metric called "AI-Adjusted Operating Margin," which conveniently excluded ongoing AI development costs by repeatedly classifying them as one-time items. Such practices distort the reality of performance and divert attention from the company's actual financial state.

Collectively, these financial sleights-of-hand – if not caught – give investors and boards a distorted view of a company's performance.

From Paper Tricks to Digital Deception

Over the years, financial shenanigans have evolved from simple ledger tricks to sophisticated operations. In India, incidents ranging from the Satyam scandal to irregularities among certain NBFCs and startups have demonstrated how easily trust can be broken when oversight is weak. The playbook remains consistent: overstated revenues, understated liabilities, disguised operational costs, and artificial cash flow strength. However, the medium of manipulation is changing dramatically, driven by the advent of artificial intelligence (AI).

AI: The Double-Edged Sword of Finance

Artificial Intelligence has become deeply integrated into modern business operations. AI is revolutionizing finance and accounting by bringing unmatched speed, limitless scalability, and pinpoint accuracy. From automating reconciliations to generating financial reports, managing vendor payments, and predicting financial trends, AI is transforming finance departments globally AI now empowers finance teams to shift from retrospective controls to real-time vigilance — flagging inconsistencies, predicting anomalies, and accelerating response times. For a function historically driven by retrospective analysis, AI introduces the power of foresight.

AI as a New Tool for Shenanigans

Yet, the very technology that drives efficiency also opens the door to unexpected risks. When misused, AI becomes an accomplice in manipulation. Systems trained on historical financial data can be subtly reprogrammed to allocate expenses strategically between periods, creating smoother profit trends. Natural Language Processing can draft management commentary aligning with fictitious numbers. Automated invoicing systems can fabricate vendor activity, mimicking real transactions and passing undetected through internal controls.While it can camouflage deception with alarming sophistication, if implemented with the right checks and balances, AI can become an effective tool to combat financial malpractice.

AI-Driven Anomaly Detection

The potential of AI as a safeguard against financial shenanigans lies in its ability to detect anomalies at scale. Advanced AI systems can sift through millions of journal entries to identify unusual patterns or inconsistent entries. These tools look for deviations from logical behavior, such as payments made just before reporting periods or recurring vendor entries with slight variations. Additionally, AI-enabled Natural Language Processing scans internal communications for signs of pressure, collusion, or irregular intent.

The New Age of Forensic Auditing

Leading global audit firms have started integrating AI into their forensic practices. Firms like EY and Deloitte have developed proprietary platforms that continuously monitor transactions and assess risk in real time. Indian companies such as TCS are using bots for predictive cash flow analysis, while several multinational banks rely on machine learning algorithms to review transaction integrity as it happens. These systems amplify the ability of auditors and CFOs to act before damage is done.

Regulatory Momentum in India

India's regulatory institutions are acknowledging the role AI can play in enhancing corporate governance. This is a positive step forward, but the journey ahead requires more than just technology adoption—it demands a cultural shift in how we define and pursue corporate excellence.

Redefining Corporate Excellence in the AI Era

In a data-driven world, traditional definitions of success—profitability, market share, or quarterly growth—are no longer sufficient. Corporate excellence today must be measured by system integrity, transparency in reporting, and the ethical use of technology. A company that performs well financially but misrepresents the source of its performance is not truly excellent. True excellence lies in consistency, openly disclosing uncertainties, and resisting the temptation to embellish results.

Embedding Ethics into AI

This is where ethics must take center stage. For AI to fulfill its promise in the financial world, it must operate within a strong ethical framework. Businesses should create internal AI governance charters that define acceptable use, outline accountability for decisions, and lay down red flags requiring human intervention. CFOs and controllers must not just be number crunchers, but informed stewards of data and algorithms — understanding the assumptions, biases, and potential misuse of AI systems under their command.

Collaborative Governance: Companies and Regulators Together

Corporate houses cannot do this alone. A collaborative effort between industry and regulators such as SEBI and RBI is critical to shape AI-integrated corporate governance. India must work toward setting standards for algorithmic transparency — including AI audit trails, algorithm bias disclosures, and industry-wide AI forensic labs. Public-private data sharing under strict anonymization protocols can also help detect sector-wide manipulation trends early.

Performance Pressure vs. Purpose-Driven Governance

The pressure to perform is only intensifying. In hypercompetitive markets and valuation-driven economies, boards and CXOs face relentless scrutiny. But the question is no longer whether companies will feel tempted — the real question is whether they will build the culture and systems to resist that temptation. Ethical AI isn't about stopping performance; it's about achieving performance sustainably. With real-time visibility and predictive accountability, AI can help leadership sleep better — not because numbers look good, but because they are true.

Trust: The Cornerstone of a $5 Trillion Vision

As India marches toward its $5 trillion economy vision, corporate credibility will matter more than just capital raised or unicorns minted. Sustainable growth demands resilient systems and ethical practices. Startups that rise fast and fall due to governance lapses damage not just investor sentiment but also national credibility. India must aim to build not just at scale, but on a foundation of trust — where every balance sheet stands as a mirror of reality, not a masterpiece of deception.

Ethics + AI = Excellence: A New Corporate Equation

The equation for modern business success is now simple: **Ethics + AI = Excellence**. It doesn't imply choosing between innovation and integrity. It means designing innovation with integrity. Companies must use AI not only to speed up operations or automate compliance, but to build deeper accountability into their DNA. Corporate excellence, in this age, is less about optics and more about operational truth.

Conclusion: In AI We Trust—But Verify

AI may be the pen, but human ethics must still guide the story of accounting. It's not technology that defines trust—it's how we choose to wield it. In this new era, the most valuable business asset is not merely data or even profitability — it is **credibility**. A company that can inspire trust, backed by transparent systems and ethical tech, will be the one that endures.

Let us not use AI to paint prettier versions of our financials. Let us use it to paint **truer** ones. Because in the age of AI, **the real ledger of excellence is not financial engineering — it is ethical engineering**.

THE RISE OF ACCOUNTING INTELLIGENCE: WILL AI REPLACE ACCOUNTANTS?

Abstract

Artificial Intelligence (AI) is revolutionizing the field of accounting, driving efficiencies, enhancing accuracy, and reshaping traditional roles. This article explores the practical application of AI in accounting, its benefits, limitations, and how professionals can adopt AI tools effectively. It also reflects on whether AI can replace accountants or simply redefine their role—and how AI contributed to the creation of this article itself.

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Introduction: The Era of Accounting Intelligence

The digital revolution has ushered in an era where machines can think, learn, and even reason. Artificial Intelligence (AI) has already disrupted sectors like healthcare, logistics, and marketing—and accounting is no exception. From automated bookkeeping to fraud detection, AI is not just a buzzword in the profession; it's becoming an integral asset. But what exactly is AI in accounting, and does it truly threaten the traditional role of accountants?

What is AI in Accounting?

Artificial Intelligence in accounting refers to the use of intelligent systems that simulate human cognitive functions such as learning, pattern recognition, decision-making, and problem-solving. Tools driven by machine learning (ML), natural language processing (NLP), and robotic process automation (RPA) are enabling firms to streamline complex financial processes with minimal human intervention.

These technologies allow accounting systems to go beyond data entry—understanding and analyzing trends, detecting anomalies, and offering predictive insights in real time.

Can AI Replace Accountants?

The question of AI replacing accountants sparks both curiosity and concern. While AI excels at repetitive, rule-based tasks, it lacks the professional judgment, ethical reasoning, and emotional intelligence that define the value of human accountants. AI can generate a financial report, but it cannot offer strategic advice in a boardroom with the same nuance and contextual depth.

Rather than replace accountants, AI is expected to augment them—freeing professionals from mundane tasks and allowing them to focus on interpretation, analysis, and advisory functions.

Benefits of Artificial Intelligence in Accounting

1. Efficiency & Speed: AI can process vast volumes of transactions in a fraction of the time, increasing productivity.
2. Accuracy & Compliance: Machine learning models reduce errors and ensure adherence to tax and regulatory requirements.
3. Predictive Insights: AI enables proactive decision-making through forecasting, risk assessment, and trend analysis.
4. Fraud Detection: AI systems can flag unusual transactions and patterns, assisting in early detection of financial misconduct.
5. 24/7 Functionality: Unlike humans, AI systems can work round-the-clock without fatigue.

How is AI Used in Accounting Today?

Across the globe, businesses are deploying AI tools in various areas:

- Bookkeeping & Data Entry: Automated classification and posting of financial transactions.
- Audit & Assurance: AI tools perform substantive testing and anomaly detection in real-time.
- Tax Compliance: Intelligent tax bots ensure filings are accurate and up to date.
- Customer Support: AI-driven chatbots respond to client queries and assist with invoice generation and payment follow-ups.

Software like Xero, QuickBooks, Zoho Books, and SAP's AI-integrated modules are prime examples of how AI is already embedded in accounting workflows.

How to Get Started with Accounting Intelligence

For accounting professionals aiming to future-proof their careers, embracing AI is not optional—it is essential. Here's how to begin:

- Upskill with AI Courses: Platforms like Coursera, Udemy, and LinkedIn Learning offer AI literacy programs tailored for finance professionals.
- Collaborate with Tech Teams: Accountants must work closely with IT teams to implement AI solutions relevant to their business models.
- Pilot AI Tools: Start with automating small, repetitive processes and gradually scale.
- Stay Updated: Join professional forums, attend tech-focused accounting seminars, and subscribe to journals on AI in finance.

How AI Was Used to Write This Article

In the spirit of the topic, this article itself was created using AI-assisted drafting, language refinement, and structural alignment tools. While the core thoughts and professional experience behind the article are human, AI supported research synthesis, grammar correction, and formatting—demonstrating how human intelligence and AI can collaborate for optimal results.

Conclusion: The Future is Collaborative

The real power of AI lies not in replacing accountants, but in empowering them. As the finance function evolves, CMAs who integrate technology with their domain expertise will lead the next wave of corporate excellence. The vision of fn0; –f"V—a future shaped by insight—demands a synergy between human intellect and artificial intelligence. In this collaborative model, accountants won't become obsolete—they'll become indispensable.

TOTAL COST MANAGEMENT & PERPETUAL COST CONTROL: A CMA's STRATEGIC LENS

Abstract

As India strides toward a $5 trillion economy, strategic cost management is crucial. This blog examines how Total Cost Management (TCM) and Perpetual Cost Control (PCC) empower firms like Maruti Suzuki, DMRC, and HUL to boost efficiency and resilience. It underscores the evolving role of CMAs in leading this shift from cost-cutting to intelligent, value-driven cost-thinking.

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Total Cost Management (TCM)

TCM is about keeping track of all the money spent on a project or business over time. It helps ensure that costs are planned, monitored, and controlled.

TCM is like planning the entire budget of an event from start to finish.

"Costs do not exist to be calculated. Costs exist to be reduced."
– Taiichi Ohno

In the evolving narrative of Indian enterprise, the discourse around cost management has undergone a profound transformation. What was once relegated to the back offices of accounting departments has now become a central pillar of strategic decision-making. As India positions itself as a $5 trillion economy, the imperative for enterprises to be globally competitive, financially resilient, and operationally agile has never been greater. This transformation necessitates a shift from reactive cost accounting to proactive **Total Cost Management (TCM)** and **Perpetual Cost Control (PCC)**—a shift that only a Cost and Management Accountant (CMA) can effectively lead.

The Indian economic fabric is uniquely complex. With over 63 million micro, small, and medium enterprises (MSMEs), a strong public sector contingent, a burgeoning startup ecosystem, and a highly diversified industrial base, the country presents both a challenge and an opportunity for deploying cost excellence frameworks. TCM and PCC offer a pathway to navigate this complexity with clarity, discipline, and strategic foresight.

Understanding Total Cost Management in the Indian Context

Total Cost Management is not a new concept, but its application in India is still maturing. Defined by the Institute of Management Accountants (IMA) and further adopted by global frameworks such as AACE International, TCM encompasses planning, executing, and controlling business activities to achieve cost efficiency throughout the value chain. In India, this means integrating cost considerations from ideation to disposal, across sectors as varied as manufacturing, services, infrastructure, and agriculture.

In Indian manufacturing, for instance, TCM has become a survival strategy rather than an option. The **automobile industry**, which contributes nearly 49% to India's manufacturing GDP, is a prime example. Maruti Suzuki, India's automotive behemoth, has used TCM principles such as modular engineering, supplier integration, and value analysis to maintain cost leadership. Despite volatility in metal prices and semiconductor shortages in 2022, the company posted robust margins by leveraging platform commonality and supply chain cost optimization.

Similarly, **Mahindra & Mahindra** has institutionalized TCM through its strategic cost management office, which collaborates with design, procurement, and quality functions to ensure that cost targets are embedded from the product conceptualization stage. This cross-functional cost culture allows the company to launch competitive products like the XUV700 without compromising profitability.

In the **fast-growing electric vehicle (EV)** segment, the need for TCM is even more pronounced. Battery manufacturing, which accounts for roughly 40% of an EV's cost, requires precision in procurement, logistics, and thermal management systems. Indian startups like Ather Energy and Ola Electric are deploying TCM tools like Life Cycle Costing and Should-Cost Analysis to enhance affordability. With India targeting 30% EV penetration by 2030, cost management will be the linchpin of this transition.

Infrastructure and the TCM Imperative

India's ambitious **National Infrastructure Pipeline (NIP)**, envisaging investments of over ₹111 lakh crore, offers another arena where TCM can drive transformative outcomes. Historically, Indian infrastructure projects have been plagued by overruns. According to a 2021 report by the Ministry of Statistics and Programme Implementation, nearly 450 central sector projects faced cost overruns exceeding ₹4.5 lakh crore.

This is where TCM steps in—not merely as a control function but as a planning tool. The **Delhi Metro Rail Corporation (DMRC)** stands out as a rare example of impeccable cost discipline. The use of Earned Value Management (EVM), early contractor involvement, and lean procurement helped DMRC complete Phase III at 30% lower cost per km than global averages. The integration of TCM allowed it to optimize capital expenditure, control operational costs, and enhance commuter value.

Contrast this with the Mumbai Monorail project, which faced cost escalations of over 150%. A root cause analysis traces it to poor scope definition, lack of phase-gated cost reviews, and absence of standardized costing templates—all of which are addressed in a robust TCM framework. The lesson is simple: TCM is not about reducing costs after the fact—it is about building cost control into the DNA of the project.

Perpetual Cost Control: Making Cost a Living Metric

Perpetual Cost Control

This is an ongoing process of watching costs in real-time to make sure you don't go over budget. It involves making quick adjustments when needed.

Perpetual Cost Control is like keeping an eye on your spending as you go along, adjusting as necessary to avoid overspending.

While TCM offers the architecture, **Perpetual Cost Control (PCC)** breathes life into it. PCC is about real-time, dynamic, and continuous cost monitoring. It transcends periodic reviews and instills cost consciousness into everyday operations.

Consider the **Indian FMCG sector**, valued at over $110 billion. Here, players like **Hindustan Unilever (HUL)** have institutionalized PCC through practices such as Zero-Based Budgeting (ZBB). In ZBB, no cost is carried forward by default—every expense, from advertising to logistics, must be justified anew. This has enabled HUL to save over ₹1,400 crore in FY 2021–22, despite inflationary pressures. Their use of AI-driven dashboards to monitor SKU-wise profitability and freight optimization is a textbook case of PCC in action.

In the **IT and ITeS sectors**, which jointly contribute over $245 billion to India's GDP, PCC is embedded in delivery models. **Infosys**, for example, tracks project-level profitability in real time. By deploying over 20,000 bots through RPA, the firm has automated low-value tasks, freeing up human capital and reducing costs. The real-time analytics system flags variances in utilization, enabling course corrections before costs spiral.

Even in traditional sectors like **steel and cement**, where cost structures are heavily dependent on energy and logistics, perpetual cost control is ensuring margin protection. **UltraTech Cement**, India's largest cement producer, uses energy audits, predictive maintenance, and route optimization to reduce production costs. In FY 2022, despite a 30% surge in coal prices, the company managed to maintain EBITDA margins by driving down energy intensity across plants.

Tools and Techniques: Adapting Global Best Practices to Indian Realities

The successful implementation of TCM and PCC hinges on the judicious use of tools that are sensitive to Indian realities. Activity-Based Costing (ABC) has gained traction in sectors like banking and telecom, where traditional cost allocation methods fail to reflect the complexity of operations. For example, **State Bank of India (SBI)** deployed ABC to measure channel-wise costs, discovering that digital transactions cost 1/10th of branch-based transactions. This insight has driven their aggressive digital push.

Life Cycle Costing (LCC) is another underutilized but powerful tool in India. In the **renewable energy sector**, where operational and maintenance costs often surpass capital costs, LCC provides a comprehensive view. Solar EPC contractors like **Tata Power Solar** use LCC to design systems with lower total cost of ownership, enhancing project viability under tariff caps.

In **public sector undertakings (PSUs)**, the application of Kaizen Costing and Lean Six Sigma can yield significant dividends. **Bharat Heavy Electricals Limited (BHEL)** has begun standardizing its cost structures across project sites, using lean tools to identify value-adding and non-value-adding activities. The integration of cost audits with performance metrics ensures that cost control is not just reactive but preventive.

The CMA's Role: From Accountant to Strategic Partner

In this evolving landscape, the CMA is no longer a number cruncher. The CMA is a strategist. A cost leader. A business partner. The CMA must engage across functions—working with product designers to influence cost-effective architectures, with procurement teams to drive total landed cost reductions, and with operations to eliminate non-value-adding processes.

In the **startup ecosystem**, where burn rates and unit economics can make or break a venture, CMAs have a critical role. By building real-time costing models, they can help startups course-correct before cash flow crises emerge. Sectors like **agritech, healthtech, and edtech**, where investor capital is now more cautious, need CMAs to institutionalize financial discipline without stifling innovation.

To rise to this challenge, the **Institute of Cost Accountants of India (ICMAI-CMA)** must evolve its pedagogy. The curriculum must include case studies from Indian sectors, simulation labs for cost decision-making, and exposure to digital tools like Power BI, SAP, and Tableau. Industry-academia partnerships must be fostered to co-create sector-specific cost frameworks.

Policy Imperatives: Creating an Ecosystem for Cost Excellence

The government has an enabling role to play. Mandating cost audits for large infrastructure projects, offering incentives for MSMEs to adopt ERP systems, and integrating cost efficiency as a key metric in public procurement can institutionalize cost consciousness. The **Make in India**, **Atmanirbhar Bharat**, and **Digital India** missions will only succeed if Indian firms are cost-competitive not just in price, but in value.

Conclusion: From Cost Cutting to Cost Thinking

The Indian economy stands at a crossroads. The path to sustainable growth is not paved by cost cutting, but by **cost thinking**. Total Cost Management and Perpetual Cost Control offer a roadmap. They transform cost from a constraint into a capability, from an afterthought into a strategic weapon.

As CMAs, we are the custodians of this transformation. We are not just interpreters of cost—we are architects of value. Through TCM and PCC, we can help Indian enterprises not only survive but thrive in a global marketplace.

The time is now. The tools are ready. The vision is clear.

Let us not merely manage cost—let us **master** it.

CMAs FOR TOTAL COST MANAGEMENT IN TECHNOLOGICAL DISRUPTION ERA: A QUALITATIVE INQUIRY

Abstract

This study explores TCM adaptation amid tech disruption, emphasizing CMAs as vital to industrialization, performance management, and resource optimization. It advocates policy reform to elevate CMAs globally and urges their integration into strategy, highlighting their indispensable role in driving competitiveness, cost agility, and sustainable transformation across sectors.

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Institute of Business Administration and Sustainability Management
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"Management accountants are no longer just scorekeepers—they are value creators at the heart of strategic business decisions." — Dr. Noel Tagoe[1]

1. Introduction

In today's fast-changing business environment, digital advancements are redefining operations and cost structures. Total Cost Management (TCM), once cantered on efficiency, now serves as a strategic growth tool amid digital disruption. Ittner (2023) shows proactive tech adoption transforms cost management, while Bhatnagar and Dixit (2025) link Industry 4.0 integration to resilient supply chains and evolving cost dynamics. Dr. Noel Tagoe's view of CMAs as value creators supports this study's premise that TCM must evolve beyond control into strategic leadership. His perspective aligns with this study's qualitative findings and calls for policy reform in India to elevate CMAs as strategic not only enablers but strategic partners. To explore adaptive TCM strategies, this study employs a qualitative approach, capturing how leaders interpret and respond

[1] *Dr. Noel Tagoe is a distinguished academic and thought leader in the field of management accounting, renowned for his contributions to strategic cost management and value creation. He has held prominent positions, including Executive Vice President of Management Accounting, Research, and Curricula at the Association of International Certified Professional Accountants (AICPA & CIMA), where he was instrumental in enhancing the quality of CIMA's qualifications and providing world-class thought leadership through rigorous research. Dr. Tagoe's academic journey began with an undergraduate degree from the University of Ghana, followed by a master's degree from the University of Dundee and a Ph.D. from the University of Oxford. His professional career encompasses roles in accounting and strategy within the road construction and oil industries, including positions at BP and Elf Aquitaine. He also led the financial advisory consulting team for KPMG in Ghana. In academia, Dr. Tagoe has taught at esteemed institutions such as University College Dublin, and the Universities of Manchester, Reading, and Oxford. As a Fellow of the Chartered Institute of Management Accountants (FCMA) and a Chartered Global Management Accountant (CGMA), Dr. Tagoe has been a vocal advocate for the evolving role of finance professionals. He emphasizes the importance of finance professionals shifting their focus from data collection to data utilization, advocating for a deep understanding of data analytics and cybersecurity to enable businesses to create and preserve value in the digital age. Dr. Tagoe's work has significantly influenced the integration of management accounting into strategic decision-making processes, particularly in the context of technological disruption and the need for agile, data-driven approaches to cost management.*

to disruption. In-depth interviews and thematic analysis will reveal the influence of culture, leadership, and external forces and calls for repositioning cost and management accountancy profession with its befitting stature comparable against global benchmark . This research deepens understanding of TCM in a disrupted era and supports organizational resilience and innovation.

2. Operational Meaning and Significance of Technological Disruption

Technological disruption, though complex and costly—especially in finance (The Australian, 2024)—offers strategic opportunities aligned with Christensen's (1997) disruptive innovation theory. Accelerating changes via AI, quantum, and spatial tech demand agile cost strategies (The Australian, 2025). As noted by the World Economic Forum (2019), digital tools enable reinvestment in innovation. While executives see potential, mid-level managers cite execution stress. These contrasting views stress the need for cohesive leadership and TCM models that are data-driven, tech-aligned, and innovation-focused.

3. Research Background

Rapid advances in AI, automation, and analytics are disrupting traditional cost structures and frameworks. A Deloitte study underscores the importance of CFOs aligning financial strategy with innovation to manage risks and improve efficiency. Legacy models, dependent on static data and linear assumptions, often prove inadequate amid cost volatility and digital transformation. Companies are shifting toward focused, tech-integrated approaches, especially involving generative AI. Adaptive strategies rooted in real-world insights are essential. Qualitative methods help decode evolving cost dynamics under disruption. Additionally, the role of CMAs in this environment raises critical policy questions—should the specialized cost and management accounting profession be merged or dissolved after seven decades? This provokes inquiry into its relevance for national and global economic growth scenarios. These reflections shaped the study's four core objectives, including evaluating TCM as a competitive strategy tool.

4. Theoretical Framework and Literature Review

Total Cost Management (TCM) theories have evolved amid technological disruption, prompting re-examination of legacy models. Ellram's (1993) Total Cost of Ownership extended cost analysis across product lifecycles, proving valuable in healthcare (PubMed, 2023). The Dynamic Capabilities Framework (Teece, Pisano & Shuen, 1997) emphasizes continuous organizational renewal, while Tornatzky and Fleischer's (1990) Technology–Organization–Environment model explores contextual adoption factors. Williamson (1981) highlights cost-efficiency in transactions, and Cyert and March (1963) explain organizational behavior through routines and limited rationality.

MDPI (2022) introduces Systemic Value Management, aligning cost strategies with sustainability. Ittner and Aguilar (2023) argue that digitalization transforms cost from control to strategic foresight. Sector-specific studies—telemedicine (PMC, 2019) and construction (IOPscience, 2020)—illustrate innovation's qualitative impact. Tagoe (2015) notes the accountant's shift from scorekeeper to strategist, echoed by Burns and Scapens (2000), Bhimani (2015), and Granlund and Lukka (2017), who advocate for interpretive, forward-looking cost leadership.

5. Research Gap

Despite extensive quantitative research on Total Cost Management (TCM), there is a lack of qualitative insight into how professionals interpret and adapt cost strategies amid technological disruption. This gap limits understanding of real-world decision-making and the evolving strategic role of CMAs in dynamic, tech-driven environments.

5. Research Design and Methodology

This study adopts a qualitative research design, grounded in an interpretivist paradigm, to examine how organizations evolve their Total Cost Management (TCM) strategies amid technological disruption. This approach captures the contextual and experiential nature of cost-related decisions.

5.1 Research Approach: An interpretive qualitative lens enables an in-depth understanding of how industry professionals perceive and respond to disruption, focusing on meaning-making over generalization.

5.2 Methodological Strategy: Case Study and Semi-Structured Interviews: Using multiple case studies and semi-structured interviews, the research investigates sectors including manufacturing, finance, healthcare, infrastructure, pharma, and technology. Key informants—CFOs, Operations Managers, and Senior Cost Controllers—were purposefully selected for their strategic roles.

5.3 Data Collection Techniques: A total of 250 semi-structured interviews explored themes such as strategic cost adaptations and CMA recognition. Document analysis from policy papers and roadmaps provided triangulation, supported by field notes and reflexive journaling.

5.4 Data Analysis Tools: Data was thematically analysed using Braun and Clarke's (2006) framework, with NVivo facilitating coding and theme development.

5.5 Rationale for Qualitative and Interpretive Methods: These methods illuminate the nuanced, strategic responses often missed in quantitative models.

5.6 Ethical Considerations: Ethical clearance was obtained, with participant confidentiality and consent ensured throughout

6. Analysis and Discussion

Guided by a constructivist-interpretivist lens, this study utilized NVivo for systematic coding, ensuring analytical transparency and thematic depth.

6.1 Participant Profile

Respondents spanned manufacturing, IT, finance, logistics, healthcare, academia, and government. Sample Size and Mix: CMAs – 85 | CFOs – 30 | CEOs/COOs – 20 | Academicians – 30 | Engineers – 25 | CPAs/CAs/CS – 30 | Bureaucrats – 10 | Others – 20:Participants averaged 17 years of experience, offering mature insights into evolving cost strategies.

6.2 Emergent Themes and Interpretative Discussion

Theme 1: 78% highlighted the inadequacy of traditional TCM amidst digital acceleration, requiring AI-enabled, real-time costing models.

Theme 2: 85% stressed digital tools—like RPA and cloud ERP—as pivotal in transforming cost systems and enhancing forecasting.

Theme 3: 71% cited organizational inertia, digital illiteracy, and legacy systems as key adoption barriers.

Theme 4: 95% agreed CMAs excel in technical analysis but lack global recognition due to institutional silos.

Theme 5: Sector-specific innovations emerged, with calls to revise CMA curricula, enhance global reciprocity, and mandate digital CPE.

6.3 Thematic Saturation

With 250 interviews, saturation occurred by the 220th, validating analytical robustness.

6.4 Final Takeaway

TCM is evolving into a tech-enabled strategic function, demanding cross-disciplinary leadership and structural innovation and repositioning cost and management accountancy profession globally for regulatory authorities and lawmakers need to revisit to mapping its structure both legislative and operational against international benchmark

7. Findings

The objectives of this qualitative inquiry—exploring the impact of technological disruption on Total Cost Management (TCM), identifying emerging TCM strategies, understanding organizational challenges, and examining the role of CMAs—have been systematically addressed through the study's thematic findings.

Sl No	Objectives	Findings
1	To explore the impact of technological disruption on traditional Total Cost Management (TCM) practices	Traditional static cost models are ineffective in today's digital environment. Technological disruption—through AI, IoT, and automation—has replaced legacy systems with adaptive, real-time, and intelligence-driven TCM strategies, signalling a foundational shift
2	To identify emerging TCM strategies that organizations are adopting in response	Organizations are adopting predictive maintenance, dynamic pricing, cloud-based ERP systems, digital twins, AI analytics, and sustainability-linked costing—shifting from cost-cutting to integrated, technology-enabled cost optimization.
3	To understand the organizational challenges and enablers associated with TCM transformation in a digitally disrupted environment	Enablers include visionary leadership, agile culture, and digital readiness. Barriers include resistance to change, underinvestment in workforce training, and fragmented cost ownership—varying by sector maturity.
4	To examine the role of CMAs in implementing TCM strategy in the era of disruption, and how their professional designation limits their global competitiveness	CMAs in India are underleveraged compared to counterparts like CIMA (UK), CMA (USA), and CMA (Sri Lanka), CMA(Australia & NZ),CMA(Nigeria),CMA(Bangladesh), CMA(Pakistan) CMA(Papua New Guinea) and so on. The outdated institutional name limits global recognition. Re-legislation to name the Institute of Certified Management Accountants of India (ICMAI)/ Institute of Certified Cost & Management Accountants of India(ICCMAI) or the Institute of Cost and Management Accountants of India(ICMAI) is needed to align with global peers and empower CMAs as strategic partners. Change of name is need of the hour for strategic rebranding of the Institute of Cost Accountants of India (ICMAI) and majority of the respondents have ruled out the saga of rumours merger of Institute of Cost Accountants of India with any other professional body on the ground that it against national interest referring legislative intent that makes it statutorily taken off 1959 and it is specialized function and its need is more under LPG in order to derive benefits of cost leadership and cost based strategic decision making. *"Rebranding is not just cosmetic. It is strategic. It tells the world we're not just bookkeepers—we are global thinkers and digital-age strategists."* – [Senior CMA, Private Sector][2] The proposed titles clearly align with global designation structures, reflect the dual expertise in cost and strategic management, enhance cross-border professional recognition, mobility, and branding and empower Indian CMAs to be competitive leaders in the digital economy. *"Rebranding is not just cosmetic—it's structural. It gives us the global footing we've always deserved but lacked institutionally."*[3] Further, study substantiated with *"the title 'Cost Accountant' no longer reflects the strategic and digital capabilities we bring to the table. Globally, 'Certified Management Accountant' conveys a broader role, and we need to align with that for international parity."*[4] *Additionally,* 'India's current institute name, in contrast, does not explicitly denote "management accounting" or "certified" status, which are critical indicators of strategic and global relevance in today's professional landscape" CIMA[5]. IMA[6], ICMAB[7],CMA-Sri Lanka[8] The research further revealed that *"Rebranding is not a marketing gimmick—it is a legislative correction of an institutional lag. When countries like Sri Lanka and Papua New Guinea could modernize through Parliament, there is no reason India shouldn't."*

[2] Part of semi-structured Interview and discussion

[3] Dr. Anupama Tiwari, Associate Professor of Strategic Finance, University of Delhi, one of the participants the in Survey.

[4] Mr. S. Kumar, Chief Financial Officer, one of the participants the in Survey.

[5] CIMA Global. (2023). About CIMA. Available at: https://www.cimaglobal.com (Accessed: 10 April 2025).

[6] IMA USA. (2024). Certified Management Accountant (CMA) Overview. Available at: https://www.imanet.org (Accessed: 10 April 2025).

[7] ICMA Bangladesh. (2023). Institute History and Name. Available at: https://www.icmab.org.bd (Accessed: 9 April 2025).

[8] http://www.cma-srilanka.org *[On 20th January 2007, the then the Society of Certified Management Accountants of Sri Lanka(CMA) signed a MoU with the then Institute of Cost and Works Accountants of India(ICWAI) at Hyderabad, India, at the conclusion of 48th National Conventions of CMAs when inter-alia, 'Reciprocal recognition of professional qualifications and professional development programs , being the first point among 8 points in the said MoU and it is no more in Existence*

7. Challenges to Implementing Total Cost Management (TCM) During Technological Disruption

TCM implementation amid disruption faces persistent hurdles. Resistance to change—cited by 40% of tech executives as the top barrier (Deloitte, 2014)—stems from fears of displacement and added workload. Training and clear communication boost acceptance (Vorecol, n.d.). Traditional forecasting often fails in volatile settings due to outdated data, as noted in the Collingridge dilemma (Collingridge, 1980), prompting a shift toward predictive analytics. Additionally, integrating new technologies disrupts legacy systems, raising costs and delays (Oliver Wyman, 2024). In-house knowledge gaps require training or external expertise to ensure effective adoption and avoid inefficiencies during digital transitions.

8. Conducive Organizational Culture and Leadership

Effective Total Cost Management (TCM) during disruption depends on leadership and culture. Transformational leadership, as defined by Bass and Avolio (1994), fosters innovation through trust and individual support. Chou et al. (2013) confirmed it enhances team efficacy via cognitive trust—crucial in uncertain times. Thus, leadership isn't auxiliary but central to cost transformation.

9. Cross-Industry Comparative Insights

While AI and IoT adoption unite sectors in TCM reform, responses vary. Manufacturing focuses on predictive analytics, retail on personalization, and finance on fintech and cybersecurity. Energy struggles with workforce readiness. Sector-specific strategies remain key to effective TCM.

10 Conclusion and Recommendations

This study examined how firms adapt Total Cost Management (TCM) amid technological disruption. Findings emphasize the importance of agile leadership, organizational flexibility, and integrating cost professionals into strategic planning.

Conclusion: Organizations must shift from static to adaptive, real-time cost models to manage disruption. TCM's effectiveness varies across sectors—digitally mature industries adapt more easily than those reliant on legacy systems. Leadership and culture are vital for aligning innovation with cost strategy. CMAs offer strategic value but are underutilized, especially in India.

A global rebranding of India's CMA body (e.g., ICMAI/ICCMAI) is vital to enhance global mobility. Including CMAs in policy-making, especially in MSMEs and manufacturing, will improve cost governance.

Recommendations: Lawmakers should support renaming, mandate CMA roles in digital/ESG taskforces, and integrate them into AI and analytics. Industry must view CMAs as innovation enablers; academia should foster interdisciplinary training.

Limitations: Results are limited by geography and rapid tech change.

Future Research: Global comparisons, sector-specific studies, and longitudinal analysis are suggested.

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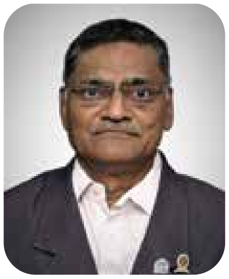
THE ROLE OF MANAGEMENT ACCOUNTANT IN AGRIFOOD POLICY FORMATION

Abstract

India's agriculture sector faces external costs, affecting decision-making across sectors. True Management Accounting (TMA) helps measure environmental, social, health, and economic costs, enabling informed decisions. TMA uses four principles: methodical cognition, multi-stakeholder thinking, dimensional capital cognition, and identifying concealed expenses. Stakeholders include governments, public agencies, and suppliers. TMA can be used in policy cycle phases.



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Introduction

Agriculture is a key economic activity in the Indian economy. It plays a crucial part in augmenting the nation's total GDP. India has experienced a substantial rise in agricultural food production, with foodgrain output attaining unprecedented levels.

Introducing True Cost and Management Accounting

Agrifood systems are always evolving. In 2022-23, total foodgrain output amounted to 3296.87 Lakh tonnes, reflecting a significant rise from 3156.16 Lakh tonnes in 2021-22. This expansion is ascribed to improved productivity and governmental measures, particularly adjustments to the Minimum Support Price (MSP). In the past decade, India's agriculture sector has had an average annual growth rate of about 5.23%. This rise has been propelled by multiple sources, including heightened food grain output and governmental programs to bolster agriculture. According to the Indian Economic Survey 2020-21, agriculture employed over 50% of the Indian workforce and contributed 20.2% to the nation's GDP.

External costs associated with food production and consumption are becoming a significant issue, affecting both financial and natural, social, and human capital. Despite the benefits of agrifood systems, such as conserving biodiversity and rehabilitating ecosystems, many advantages remain obscure. Policymakers must oversee these costs and benefits, considering trade-offs and the diverse externalities involved. Promoting pesticide usage can both enhance production and alleviate poverty.

True Management Accounting

True Management Accounting (TMA) is a method for systematically incorporating several external factors to enhance decision-making. It is applicable in commercial enterprises and for public policy objectives.

TMA represents an intellectual paradigm at its zenith. It encompasses a more expansive perspective that transcends mere economic considerations. TMA elucidates several forms of value comprehensively, enabling judgements to be made with due consideration of each value. TMA is a methodology applicable across all sectors of the economy. It is especially pertinent in the food and agricultural sector. External expenses in the food sector are significant, and for many of the world's poorest individuals, food production and consumption constitute their primary source of income and main living expense. Historically, the development of TMA has primarily occurred within the realm of food.

TMA is a methodology for assessing environmental, social, health, and economic costs and benefits, enabling informed decisions by policymakers, businesses, farmers, investors, and consumers. It accurately measures the genuine costs and benefits of various industries and production processes, incorporating "external costs" absent from modern society's financial expenditures.

Full Cost Accounting (FCA) is a methodology that evaluates the environmental, social, and economic costs and benefits of food production, rendering these factors "visible" for incorporation into decision-making processes.

Fundamental principles of authentic management accounting

TMA integrates concepts from other fields. This methodology utilises systems thinking, incorporating multiple capitals and multistakeholder viewpoints, to uncover hidden costs for consideration in policy formulation, based on four foundational principles.

1. Methodical Cognition

Food systems are most effectively addressed in a holistic manner, recognising the interdependencies within the system.

2. Multi-stakeholder thinking

Decisions impact several stakeholders, whose interests warrant consideration, even if the market does not inherently acknowledge them.

3. Dimensional capital cognition

Value manifests in various forms, including natural, social, and human capital.

4. Identifying concealed expenses

Numerous costs associated with the food system are obscured; yet they warrant consideration.

Increased agricultural productivity has benefits, but external costs, such as water contamination and poor diets, are becoming a significant concern. Market-driven decisions focus on financial costs, while external costs include natural, social, and human capital values.

Classifications of stakeholders applicable in TMA

The following are illustrative lists of the numerous stakeholders involved in the agrifood system.

1. National and local government: Health Policy Department, Agricultural Policy Department and Social and Justice Department

2. Public agencies: Hospitals, Insurance firms and Police force.
3. Local Communities: Agricultural Producers, Inhabitants and Participants in the Value Chain
4. Others in the value chain: Suppliers, Processors, Distributors, and Retailers
5. Purchasers

The design of a TMA study is contingent upon the user and their specific use of TMA. TMA can be utilised at several phases of the policy cycle, encompassing problem characterisation, analysis of diverse policy design alternatives, and monitoring and assessment. During the policy design phase, the TMA research should be utilised to inform and influence the policy design, rather than simply validate a pre-existing draft (Merrigan, 2021). In retrospective or monitoring studies, it is essential to determine the most pertinent starting and ending points.

Design Categories

All three of the subsequent design categories are frequently observed.

1. Initial Evaluations

Baseline assessments generally establish a historical reference point to evaluate the concealed costs of the current situation. Consequently, they can assist policymakers in pinpointing areas of emphasis. A common use is comparing the performance of two or more alternatives, such as different production methods, goods, businesses, states, or cities. This can thereafter be utilised to enhance the performance of the alternative or to integrate aspects of it into the others.

Iterative Measurements

Baseline evaluations evaluate the condition of a system at a specific moment in time. It is essential to monitor whether the actions implemented following the baseline evaluation result in progress. There is a limited number of TMA research that conduct longitudinal measures.

Scenario Analysis

Scenario analysis necessarily encompasses a prospective or predictive element. Two or more future scenarios are forecast based on policy decisions, generally including a "business-as-usual" scenario in which no more policies are enacted. The expenses and advantages of each scenario are assessed, encompassing any necessary investments to achieve them. The outcomes of scenario analysis can be utilised to disseminate the most effective scenario.

2. Scoping phase

Upon establishing the framework, the subsequent phase of a TMA study may commence, i.e.., the scoping stage. The process involves three fundamental decisions: i) the selection of functional unit(s); ii) the determination of indicators included in the assessment; and iii) the choice of valuation methodology.

Select the functional unit

TMA can assist in identifying potential strategies for transitioning agrifood systems and indicates areas requiring modification, such as domestic production, agricultural methods, or supply networks. Similarly, the policy objective underlying TMA research inherently indicates the most appropriate unit of analysis. This functional unit delineates the parameters evaluated and quantified by a TMA investigation, hence establishing its scope.

Choosing the appropriate functional unit to adequately address the policy question is a critical step in the scoping phase.

Select relevant indicators within the defined scope

Indicators constitute the essential components of a TMA investigation. Illustrations include the impacts on climate change, food security, and public health. A single study may encompass one or more indicators. Upon selecting the pertinent indicators based on materiality, each is subsequently measured and valued. To effectively expand the application of TMA, it is essential to enhance the comparability of various study outcomes. A viable approach to achieving harmonisation is for the TMA community to concur on standardised metrics and the methodologies required to assess the impacts these indicators reflect. These indicators can function as an extensive list to facilitate the selection of indicators pertinent to each study's scope. This standardisation initiative would fulfil the requirement for application-level guidelines on TMA utilisation.

3. Select the valuation methodology

Valuation is a crucial aspect of TMA, which involves measuring the value of indicators to individuals or society. It converts measured indicators into comprehensible information for TMA research, such as translating greenhouse gas emissions into CO_2 equivalents. Methods employ qualitative, quantitative, or monetary appraisal, with monetary valuation being the most effective. Valuation can be conducted qualitatively or quantitatively, depending on the situation. Quantitative valuation is useful when multiple viewpoints are considered but can be challenging to understand or contrast. Monetary valuation converts indicators measured in different units into a single comparable unit, facilitating the integration and comparison of non-financial capital with inherently monetised financial capital. However, financial valuation cannot replace assessing indicators in their intrinsic units, as it embodies normative acceptability and informs decision-making.

Numerous policy and commercial actions yield their costs and benefits in the future, accompanied by a certain level of uncertainty. Utilising TMA in these circumstances closely resembles investment analysis or constructing business cases in conventional finance. A discount rate is employed to render expected expenses and revenues from various years comparable and to generate a singular signal for guidance, typically the net present value (NPV).

In finance, the discount rate is generally associated with the cost of capital of the firm or the investor. In TMA, which incorporates effects on several societal stakeholders, the utilisation of a social discount rate is more appropriate (Lord, 2020).

Selecting a figure for the social discount rate can significantly influence the results of the TMA research and, consequently, the conclusions derived from them. Investment and commercial choices sometimes employ discount rates of 10 percent or higher. A high discount rate increases the denominator in formula for future years, hence diminishing their contribution to the NPV. In a business setting, this indicates that investors prefer to possess their capital presently rather than at a future date.

In a TMA setting, a high discount rate signifies the preference for individuals' current well-being above future well-being. Consequently, relatively low discount rates are recommended. The selected discount rate is especially pertinent for natural capital metrics. A low discount rate is a crucial characteristic for formulating regulatory policies aimed at safeguarding natural resources, since it aids in preventing ecosystem deterioration.

Epilogue and Suggestions

India's agriculture sector is a vital economic activity, contributing significantly to the country's GDP. In 2022-23, the total foodgrain output reached 3296.87 Lakh tonnes, a 5.23% increase from 2021-22. Agriculture employs over 50% of the Indian workforce and contributes 20.2% to the GDP. However, external costs associated with food production and consumption are becoming a significant issue, affecting financial, natural, social, and human capital. True Management Accounting (TMA) is a methodology for systematically incorporating external factors to enhance decision-making, particularly in the food and agricultural sector. TMA involves scenario analysis, scoping, and valuation, with monetary valuation being the most effective. It considers the effects on multiple societal stakeholders and can be used at various policy cycles.

Policymakers must navigate complex synergies and trade-offs (Suggestive as per Table 1 below) in governance of global, national, regional, and local agrifood systems. A singular objective strategy may not fully capitalize on potential benefits, as seen in a program aimed at enhancing food security but causing obesity. The interrelations among these issues are crucial for successful policies.

Table 1. Suggestive Synergies and Trade-offs

Synergies	***Trade-offs***
Healthy diets and lower emissions	Lower livestock numbers but lower protein availability
Income generation and food security	Farm income vs. consumer prices
Paying for public goods	Pricing for natural capital vs. farm incomes

Trade-offs are oversimplified and may not consistently apply; for instance, it could be feasible to enhance agricultural revenues without altering consumer prices.

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CONVERGENCE TO IFRS 17 INSURANCE CONTRACTS CHALLENGES & RATIONALE

Abstract

IFRS 17 (Ind AS 117) Insurance contracts prescribes three alternative accounting models to fit into varied characteristics of insurance products. It marks transformation of premium revenue based insurance accounting into fair value based insurance revenue and insurance contract liabilities. The logical insurance accounting models, General Measurement Model, Variable Fee Approach and Premium Allocation Approach, of IFRS 17 are designed to generate more relevant and reliable accounting information. The early adoption of this standard would make financials of Indian insurance companies comparable to their international peers that would improve management information system.

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Insurance accounting models

The long journey of the international Accounting Standards Board in developing a full -fledged financial reporting standards on insurance contracts that started through issuance of interim standard IFRS 4 has been completed by issuance of a comprehensive standard IFRS 17 that prescribes compatible accounting models for insurance products having varied characteristics. All large European insurance companies like Aegon, Aviva, AXA, CNP Assurances, Munich Re. switched over from IFRS 4 to IFRS 17 in 2023.

The European Systemic Risk Board (ESRB) observed that the most controversial aspect of the implementation of IFRS 17 relates to the annual cohort requirement, which is also related to how onerous contracts are accounted for. The annual cohort requirement stipulates that contracts with similar characteristics should be grouped together and allocated to cohorts that are issued within one year of each other. However, when applied to some legacy profit-sharing arrangements and contracts managed under cash-flow matching techniques, the annual cohort requirement may create complexity. Thus the annual cohort requirement of IFRS 17 has been relaxed in the EU.

IFRS 17 redefines insurance revenue applying three different accounting models – General Measurement Model (GMM), Premium Allocation Approach (PAA) and Variable Fee Approach (VFA).

The GMM is the default measurement model under Ind AS 117. Under this approach an insurer entity would measure fulfilment cash flows at the inception. The fulfilment cash flows comprise of the present value of future cash flows within the boundary of the contract, discounted at current rates, and an explicit risk adjustment for non-financial risk. At the inception, a contractual service margin (CSM) is recognised for each new group of contracts which represents the unearned profit to be recognised over the coverage period. Unearned profit arises when the pattern of premium receipts does not reflect the obligation under the group of contracts, for example:

- collection of single premium at the inception of the contract;
- premium payment period is different from insurance coverage period; or
- Obligations under the insurance contract and premium receipts are different.

The accounting process under the GMM is covered in the Case Analysis.

The PAA is a simplified measurement model which can be applied to all short duration contracts and to longer duration contracts that meet PAA eligibility criteria. It is generally applied to non-life insurance and reinsurance contracts except for contracts that reinsure adverse development of incurred claims. The liability for remaining coverage (LRC) is measured as the amount of premium received net of acquisition cash flows, less the amount of premiums and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period. Premium receipts and acquisition cash flows are recognised in profit or loss over the life of the contract, based on the expected timing of incurred claims.

The VFA is a modified approach to the GMM that is applied to groups of insurance and investment contracts with direct participating features. The eligibility requirements of applying VFA include a contract feature of substantial investment related services to policyholders. Fulfilment cash flows for VFA contracts comprise the obligation to pay policyholders an amount equal to the fair value of underlying items, less the variable fee for future service. Any change in the obligation to pay policyholders the fair value of underlying items is recognised within net finance expenses from insurance contracts in the income statement.

Indian Scenario

In the process of IFRS convergence, the Ministry of Corporate Affairs notified Ind AS 117 vide Notification No. G.S.R.492(E) dated 12th August, 2024. It is proposed to be applied for annual period beginning on or after 1.4.2024. The Institute of Chartered Accountants of India had undertaken public consultation by issuing exposure drafts of the proposed Ind AS 117 in 2018, 2021 and 2022. Although the Government has notified Ind AS 117 effective April 1, 2024, its implementation by insurance companies is subjected to issuance of the road map by the Insurance Regulatory and Development Authority of India.

The Ministry of Corporate Affairs issued Indian Accounting Standards (Third Amendment) Rules 2024 vide G.S.R. 602 E dated 28th September 2024 notifying Ind AS 104 Insurance contracts that requires that *an insurance company may provide its financial statement as per Ind AS 104 for purposes of consolidated financial statements by its parent or investor or venture till the Insurance Regulatory and Development Authority notifies the Ind AS 117 and for the purpose, Ind AS 104 shall, as specified in the Schedule to these rules , continue to apply.*

This appears to be a non-compatible step in view of the fact the international peers of Indian insurance companies already switched over to IFRS 17. It is most appropriate to adopt Ind AS 117 within a reasonable timeframe.

Earlier on 28 June 2017, Ind AS Implementation Group of the IRDA viewed that because of peculiarities of the insurance sector in India, particularly the fact that India does not have a standard equivalent to IAS 39 *Financial Instruments: Recognition and Measurement*, the implementation of the Ind AS in the present form will lead to a position where assets will be valued on fair value / market value basis and liabilities will continue to be valued as per the existing formula based approach. This is likely to lead to mismatch in the asset and liability valuation and also cause volatility in the financial statements of the insurance companies. Further, compliance costs would be incurred twice, once immediately on implementation of Ind AS and secondly when IFRS 17 is implemented in India.

In Europe, insurance companies adopted IFRS 17 and IFRS 9 together. Adoption of Ind AS 117 requires complete overhaul of the existing accounting system. Transition to Ind AS 117 *inter alia* involves several accounting policy decisions:

- Determining the level of aggregation of insurance contracts;
- Selection of appropriate accounting model out of general measurement model, variable fee approach and premium allocation approach;
- Applying fair value measurement principle based on discounted cash flow approach;
- Identifying cash flows with the contracts boundary;
- Explicitly using risk adjustment for non-financial risk in determining fulfilment cash flows;
- Selection of appropriate discount rate;
- Determining fulfilment cash flows, contractual service margin, insurance contract liability, insurance revenue, insurance finance expense and insurance service expense;
- Identifying onerous contract and identifying loss component for remaining coverage period and reversal thereof if facts and circumstances change, etc.

Experience of IFRS 17 adoption

Presented blow in in Table 1, comparative accounting numbers based IFRS 4 & IAS 39 versus IFRS 17 & IFRS 9 of three major European insurance companies that have adopted IFRS 17. It is observed that IFRS 17 based insurance contract liabilities of all three companies are higher than IFRS 4 based valuation. Net result of two companies is comparatively lower - the case of higher net result of Aegon may be an outlier.

Table 1 Comparative Accounting Numbers

Companies	Accounting parameters	IFRS 4 &IAS 39 based accounting	IFRS 17 & IFRS 9 Based accounting	
Aegon 2022	Net result	(2504)	(182)	92.73%
€million				
	Insurance contract liabilities	100,409	177,476	76.75%
Aviva 2022	Net result	(1139)	(1030)	-9.57%
£ million				
	Insurance contract liabilities	99685	117,561	17.93%
AXA 2022	Net result	6856	5207	-24.05%
€million				
	Insurance contract liabilities	381,109	444,812	16.72%

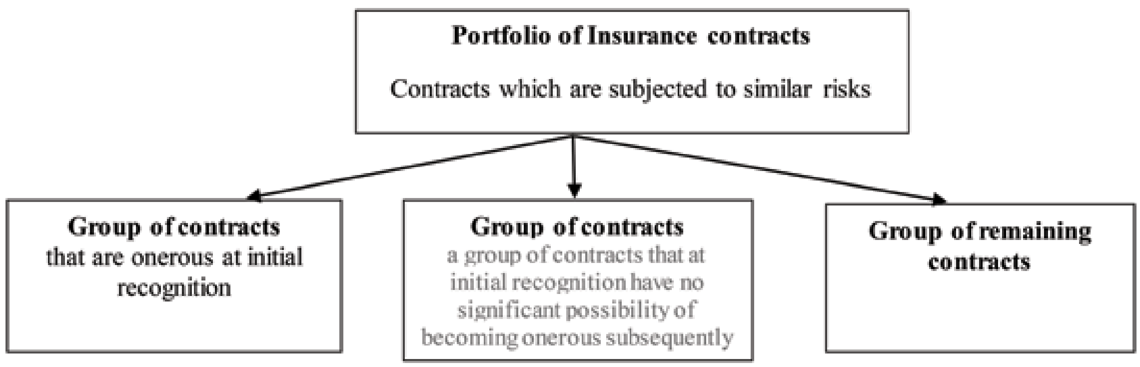
Level of aggregation

Ind AS 117 has adopted a group approach for unit of measurement. A group of insurance contracts is defined as 'a set of *insurance contracts* resulting from the division of a *portfolio of insurance contracts* into, at a minimum, contracts issued within a period of no longer than one year and that, at initial recognition:

a. they are onerous, if any;
b. group of contracts which have no significant possibility of becoming onerous subsequently, if any; and
c. group of remaining do not fall into either (a) or (b), if any.

Thus a group of insurance contracts are a division of a portfolio of insurance contracts classified by year of issue and three different criteria as stated above.

Figure 1 Classification of Insurance Contracts



Criticality of cash flow estimates

General measurement model (GMM) is the default accounting model for insurance contracts. Under this model, an insurance contract is measured applying *fulfilment cash flows* on initial recognition. Fulfilment cash flows is determined as below:

(A) Present value of cash inflows arising of a group of insurance contracts, *minus*

(B) Present value of cash outflows within the boundary of the group of insurance contracts

= Net Cash flows, minus

(C) Risk adjustment for non-financial risk

= Fulfilment cash flows.

A positive fulfilment cash flows signifies that the group of insurance contracts is not onerous and there exists contractual service margin (CSM).

Cash flows are discounted applying a discount rate reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows.

An entity shall adjust the estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. This is estimated separately from other estimates.

The risk adjustment for non-financial risk (NFR) measures the effect of uncertainty in the cash flows that arise from insurance contracts, other than uncertainty arising from financial risk. Although nonfinancial risks are not clearly defined, similar standards can be referred to such as Solvency II, International Capital Standard (ICS) or other capital regimes including companies' own economic capital.

Selection of Discount Rate

The discount rates applied to the estimates of the future cash flows:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- are consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity; and
- exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

For example, Aegon Ltd. determines IFRS 17 discount rates using a hybrid approach based on risk-free rates plus an illiquidity premium based on expected asset returns. Where the necessary asset portfolio data was not or no longer available, an appropriate observable yield curve plus a spread adjustment was applied to approximate historical discount rates. For cohorts that exceed 12 months, weighted-average historical discount rates were applied. The weighting was based on sales volumes, or where not available, on the expected coverage units at inception.

Case Analysis

Application of General Measurement Model

As on 1.4.2024, an entity issues 1000 insurance contracts with a coverage period of three years which are considered as a group. The coverage period starts when the insurance contracts are issued. It is assumed that none of the contracts will lapse before the end of the coverage period. The entity expects to receive premiums of ₹90,00,000 immediately after initial recognition. Thus, the estimate of the present value of the future cash inflows is ₹90,00,000. Since it is a single premium contract and the coverage period is three years, there will arise contractual service margin. i.e. unearned revenue which is recognised over the coverage period as the entity provides insurance service.

The entity estimates the annual cash outflows at the end of each year as follows:

Case A: The annual future cash outflows are ₹25,00,000 (total ₹75,00,000).

The entity estimates the risk adjustment for non-financial risk on initial recognition as ₹1,50,000.

In Year 1 (2024-25): (i) All events occur as expected and the entity does not change any assumptions related to future periods;

(ii) the discount rate that reflects the characteristics of the cash flows of the group remains at 7.5% p.a. at the end of each year (those cash flows do not vary based on the returns on any underlying items);

(iii) the risk adjustment for nonfinancial risk is recognised in profit or loss evenly in each year of coverage; and

(iv) the expenses are expected to be paid immediately after they are incurred at the end of each year.

On initial recognition, the entity measures the group of insurance contracts and estimates the fulfilment cash flows for each subsequent year are worked out in the table below.

Measurement of fulfilment Cash flows over the contract life

Amount in ₹

		Initial Recognition Beginning of 2024	End of Year 1 2024-25	End of Year 2 2025-26	End of Year 3 2026-27
Estimates of the present value of future cash inflows	I	90,00,000	-	-	-
Estimates of the present value of future cash outflows	II	(65,01,314)	(44,88,913)(1)	(23,25,581)(2)	-
Net cash flows	III= II-I	**24,98,686**	(44,88,913)	(23,25,581)	-
Risk adjustment for non-financial risk	IV	(1,50,000)	(1,00,000)	(50,000)	-
Fulfillment cash flows	V= III-IV	23,48,686	(45,88,913)	(23,75,581)	-
Contract service margin-unearned income	VI=V	(23,48,686)			
Insurance contract (asset) / liability on initial recognition		NIL			

Notes (1): Present value of ₹25,00,000 to be received at the end of each year for two years discounted @7.5%.

(2) Present value of ₹25,00,000 to be received at the year-end discounted @7.5%.

(3) The contractual service margin is increased by time value money and reduced by current profit allocated.

Required:

A. Present a reconciliation showing changes in insurance liability at the end year 1 (31.3.2025);

B. Reconciliation of amounts to be presented in the profit or loss, and balance sheet.

C. Presentation in the Statement of Profit and Loss for the year ended on 31.3.2025, and Balance Sheet as on 31.3.2025.

Analysis

A. Reconciliation showing changes in insurance liability at the end year 1 (31.3.2025)

Amount in ₹

	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Insurance contract liability
Opening balance 1.4.2024	-	-	-	-
Changes related to future service: new contracts	(24,98,686)	1,50,000	23,48,686	-
Cash inflows	90,00,000	-		90,00,000
Insurance finance expenses	4,87,599	-	1,76,151	6,63,750
Changes related to current service	-	(50,000)	(8,41,612)	(8,91,612)

Cash outflows	(25,00,000)			(25,00,000)
Closing balance 31.3.2025	44,88,913	1,00,000	16,83,225	**62,72,138**

B. Reconciliation of items to be presented in the Statement of Profit and Loss & Balance Sheet

Amount in ₹

	Liability for remaining coverage	Liability for incurred claims	Insurance contract liability
Opening balance	-	-	-
Cash inflows	90,00,000		90,00,000
Insurance revenue (a)	(33,91,612)		(33,91,612)
Insurance service expenses	-	25,00,000	25,00,000
Insurance finance expenses	6,63,750	-	6,63,750
Cash outflows	-	(25,00,000)	(25.00,000)
Balance as on 31.3.2025	**62,72,138**	**-**	**62,72,138**

Note (a): Insurance revenue = Insurance contract liability 62,72,138 – (Premium received 90,00,000+ Finance cost 6,63,750)

C. Presentation in the financial statements

Statement of Profit and Loss

for the year ended on 31 March 2025

	Amount in ₹
Revenue	
Insurance revenue	33,91,612
	33,91,612
Expenses	
Insurance finance expense – unwinding of discount	6,63,750
Insurance service expense – claims	25,00,000
	31,63,750
Surplus / (deficit)	**2,27,862**

Balance Sheet

As at 31 March 2025

	Amount in ₹
Assets	
Bank	65,00,000
	65,00,000
Equity & Liabilities	
Insurance liability	62,72,138
Equity	2,27,862
	65,00,000

Concluding Remarks

IFRS 4 / Ind AS 104 made limited improvements to accounting for insurance contracts by an insurer. This standard was introduced in 2004, and it was an interim standard. There were limited changes to existing insurance accounting practices. Insurance companies were allowed to measure similar insurance contracts with different accounting policies. These practices evolved based on specific insurance contracts in a specific country. This practice based insurance accounting resulted into a divergence among various accounting models used by the insurance industry. IFRS 4 primarily relied on historical data, which might not accurately reflect the future risks and uncertainties inherent in long-term insurance contracts. This approach limited the users' ability to assess an insurance company's long-term financial resilience. So, requirements of generating IFRS 4 (Ind AS 104) based accounting information may be a futile exercise. Indian Insurance sector should get ready for convergence to IFRS 17 in time bound manner.

UNLOCKING CORPORATE EXCELLENCE: THE POWER OF TCM AND PCM

Abstract

The term corporate excellence is more than just growth—it's about creating value, being adaptative, and sustainable. The core of which lies in strategic management of costs, that plays a vital role in long-term success. In today's competitive environment, cost management is the vital key for any business to have sustainable bottom-line. To have sustained profits one must focus on improving efficiency to achieve competitive advantage and long-term sustainability.

Total Cost Management (TCM) and Perpetual Cost Management (PCM) are the key components that help an organization manage their costs, and adapt to continuous change for long-term sustainability. This article highlights TCM and PCM integration capability through corporate excellence and reap benefits from GAIL (India) Limited's best practices implemented across various functions.

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Introduction

Corporate excellence doesn't only mean running operations efficiently, it includes long-term growth, smart planning, flexibility, and creating value to stakeholders. In the competitive world, success involves not only meeting customer needs but effectively and actively managing and adjusting costs across the value chain.

Total Cost Management (TCM) & Perpetual Cost Management (PCM)

In this context Total Cost Management (TCM) and Perpetual Cost Management (PCM) have a key role to play. The essence of TCM is being proactive in managing costs right from the inception of a project, to execution and till the retirement of the product or project. TCM, is a strategic approach that looks at costs not in isolation, but as part of a broader plan to create value throughout a product or project's lifecycle.

On the other hand, PCM focuses on real time cost monitoring & process improvement. It ensures that the organisations remain agile in the face of ever-changing market dynamics. Perpetual Cost Management (PCM) is about tracking costs continuously in real time. Unlike traditional methods that check costs only at intervals, PCM uses modern technologies like Internet of Things (IoT), big data, and AI to monitor costs as they change. TCM and PCM are key parts of the Cost Management Accounting, which brings cost-focused thinking into business operations & smart cost management can drive long-term growth, maintain financial discipline, and boost capital efficiency.

TCM and PCM, when integrated, form a seamless system and that long-term strategic cost planning can be integrated with real time responsiveness. The linkage between the two thus means that cost management is not a sporadic activity but an ever evolving and dynamic process responding to the strategic direction and the operational demands.

Benefits of Integration of TCM & PCM:

- Whereas, TCM gives the strategic cost framework, PCM makes sure that the execution is agile and agrees with the strategic plan.
- Ensures cross functional alignment of finance, operations and strategy in order to align with cost management holistically.
- Enhances agility with discipline ensuring that the organizations are flexible and operating within disciplined approach to strategic cost control.

GAIL's Experience with TCM & PCM:

GAIL (India) Limited has successfully developed and implemented TCM & PCM across all functions.

In line with vision to drive operational efficiency, cost optimization, and digital transformation, GAIL (India) Limited has undertaken a significant organizational shift by centralizing critical financial processes such as Vendor Invoice Management (VIM), Centralised Invoicing Cell (CIC), Centralisation of Employee claims payment etc. This ensures uniformity, consistency, paperless processing of claims, faceless processing, significant reduction in processing time and above all, stakeholder's delight. By consolidating these functions, GAIL ensures streamlined workflow, enhanced accuracy, and provide a single point of control, ultimately minimizing the risks associated with manual errors and discrepancies.

The centralization is further augmented by the integration of cutting-edge technologies, including Artificial Intelligence (AI), Robotic Process Automation (RPA) and Machine Learning (ML), which play a pivotal role in automating routine tasks, optimizing data processing, and enabling advanced analytics. These technologies not only accelerate processes but also empower decision-making with actionable insights, improving operational agility and transparency.

As a result, GAIL has significantly reduced redundancies, optimized manpower utilization, and achieved substantial cost savings, all the while enhancing capital productivity. This technology-driven, centralized approach underscores GAIL's commitment to Total Cost Management (TCM) and perpetual cost management, reinforcing its focus on continuous improvement and the creation of sustainable value. Through these transformative efforts, GAIL is positioning itself at the forefront of operational excellence, ensuring greater efficiency and resilience across finance function.

In addition to the advancements in financial operations, GAIL (India) Limited extends its commitment to operational excellence in project management by appointing reputed Project Management Consultants (PMCs) for successful and timely execution of capital-intensive projects and is committed to maintaining high standards of quality, safety and efficiency in infrastructure projects, including cross-country pipelines and Process plants.

PMC acts as GAIL's extended arm in ensuring that project milestones are met, budgets are under control and technical specifications are strictly adhered to. Parallelly, GAIL also engages independent Third-Party Inspection (TPI) agencies to carry out critical quality assurance activities ensuring material quality, witnessing testing procedures, ensuring compliance and issuing inspection certificates.

GAIL enhances project execution by utilizing advanced project management methodologies such as PERT (Program Evaluation and Review Technique) and CPM (Critical Path Method). These tools not only enable efficient scheduling, precise tracking of materials and optimal resource allocation but also ensures that projects, especially critical pipeline developments are completed on schedule and without cost overruns. Additionally, GAIL incorporates lifecycle cost models during the planning stages, factoring in both initial capital expenditure and long-term maintenance costs to ensure sustainable, cost-effective investments.

In procurements, GAIL uses technique like Reverse Auctions (RA) and engages in long-term sourcing contracts, which effectively reduces procurement costs and promote fiscal discipline. This comprehensive approach to project management, procurement, and financial optimization underscores GAIL's commitment to TCM, driving operational excellence, enhanced cost control, and long-term value creation across its infrastructure projects.

GAIL periodically reviews its processes to identify new areas of savings through process improvement, adapt latest technology & identify areas of improving efficiency. Further to enhance the bottom line & adapt Global best practices external experts are hired to carry out extensive study across entire value chain and have provide an eagle's eye view and suggest process improvement through implementation of specific measures. One such kind of project undertaken by GAIL was "Project Sanchay", which was launched in 2015 and stands out as one of the most significant initiatives in the history of GAIL with a strong example of applied TCM, wherein it demonstrated how a structured, collaborative, and analytics-driven approach to cost optimization can generate substantial and sustainable value.

GAIL successfully implemented measures that not only reduced costs but also enhanced operational efficiency and profitability and benefits achieved thereby, far exceeded the target benchmark reinforcing Project Sanchay as a model of strategic cost management and long-term value creation.

In FY2024-25 "Project Sanchay 2" has been rolled out in GAIL, with the aim of enhancing overall profitability by adopting a Total Cost Management (TCM) approach, which includes redesigning and optimizing business processes to eliminate inefficiencies, along with improving process efficiency through the deployment of advanced technologies such as Artificial Intelligence (AI), Machine Learning (ML), Robotic Process Automation (RPA). The combined focus on cost control and technology-driven automation is intended to build a leaner, more agile, and future-ready organization.

In a world where technology grows ever so rapidly, supply chains are volatile and the economic outlook is uncertain, PCM provides an organization with the capacity to be competitive. However, PCM can be implemented by embedding cost monitoring in daily operations, that enables companies to conceive changes and subsequently maintain financial soundness under varying conditions.

GAIL's commitment towards PCM is reflected in its various transformation initiatives. To track these and other key aspects (operating ratios, project costs, inventory turnover, gas flow, controlling of valves) in real time, the company has developed real time dashboards integrated with SAP. Such dashboards not only help in smooth operation of Pipelines & process plants but also to track the opportunities.

GAIL uses operational analytics to manage and scrutinize expense structures each day in City Gas Distribution (CGD) & other segments. With continuous feedback loop, local teams have been able to route and schedule to keep high service standards and minimum cost.

GAIL's Integrated Approach:

TCM and PCM have been integrated at GAIL in its strategic capital projects like construction of new pipelines. Budget targets for the project are guided by strategic cost models developed through TCM. At the same time, real time tracking tools leveraging the use of PCM track progress and costs on the basis of reality throughout the construction phase.

Using above integration, GAIL's capital expenditures are managed well, project timelines are achieved and any unanticipated cost overruns are minimised. This results in a very efficient capital deployment strategy to maximize return on capital employed (ROCE).

Conclusion

The pursuit of corporate excellence in today's dynamic and competitive business environment demands more than just operational efficiency—it requires a robust, forward-looking, and adaptive cost management strategy. GAIL (India) Limited's exemplary adoption and integration of Total Cost Management (TCM) and Perpetual Cost Management (PCM) demonstrate how organizations can strategically align their long-term vision with real-time execution to drive sustainable growth and value creation.

TCM empowers GAIL to plan, evaluate, and control costs over the full life cycle of projects whereas PCM complements this by embedding a culture of continuous cost vigilance and responsiveness, driven by advanced technologies and data analytics. Together, these two frameworks transform cost management from a reactive function to a proactive and strategic enabler of excellence.

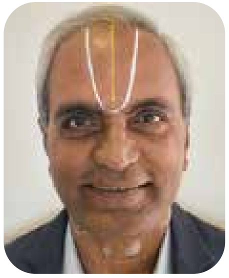
GAIL's initiatives such as centralized financial processing, deployment of AI/ML tools, the success of Project Sanchay and real-time analytics in City Gas Distribution exemplify a mature, integrated approach to cost management, thereby resulting in leaner, more agile, and future-ready organization, which not only withstands market fluctuations but thrives by continuously optimizing its operations and capital deployment.

The synergy of TCM and PCM is not just a best practice, it is a necessity for any organization aspiring to lead with excellence, ensure stakeholder trust, and secure long-term sustainability in a fast-changing economic landscape.

ENHANCE TCM DEPLOYING PRODUCT COST DRIVERS STRATEGY

Abstract

Driving total cost management (TCM) through Product cost drivers involves a holistic approach that touches many aspects of Business operations. In general, Material cost drivers form a substantial part of it and indirectly it influences the value-add cost. So, by focusing on Product /material cost drivers we can derive substantial Product cost reduction as a part of TCM.



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The major areas where significant contribution could be made to TCM:

1. New Product development and Sustainability
2. Procurement & Effective Inventory Management
3. Production, Operations & Logistics
4. Warranty and after sales service

Let us start first by discussing **Product Development**:

Number of Products

The product pruning process in a company is a strategic approach to evaluate and remove underperforming, redundant, or non-strategic products from its portfolio. It's about optimizing resources, streamlining focus, and aligning offerings with market demand and business goals. Here's how Product Pruning helps to rationalize the main Cost driver ie # of products:

1. Identify Underperforming Products

- Analyze sales data, customer feedback, and market trends to spot products that don't meet desired performance metrics.
- Evaluate profit margins and assess the cost of production, marketing, and distribution.
- Examine alternate strategies for utilizing the various resources more effectively by dropping not performing products.

2. Conduct Strategic Review

- Examine the relevance of products in the current market context.
- Check if products align with the company's mission, vision, and long-term objectives.
- Evaluate cannibalization effects where products compete against each other internally.

3. Engage Stakeholders

- Collaborate with teams such as marketing, finance, operations, and product management to gather insights.
- Discuss and align on the criteria for pruning and the impact of removing specific products.

4. Assess Impact

- Anticipate potential effects on customers, brand perception, and market share.
- Evaluate how pruning affects supply chain, distribution partners, and pricing strategies.

5. Plan Exit Strategy

- Develop a phased approach to gradually phase out products.
- Offer alternatives to customers if needed and communicate clearly about the discontinuation.

6. Monitor Transition

- Keep track of customer responses and market dynamics post-pruning.
- Adjust and refine strategies to ensure minimal disruption and maintain a positive brand image.

It's like clearing out clutter to create space for growth and innovation. Done right, product pruning can lead to a leaner, more competitive product lineup that drives better business results. As an extension of this exercise,

Product Variability

- **Impact**: As a part of Product cost driver, Optimized product variability leads to lower inventory and costs.
- **Strategies**:
  - **SKU Rationalization**: Evaluate the profitability of product variants and eliminate low-performing SKUs.
  - **Demand Forecasting**: Use AI tools to predict demand for specific variants, optimizing inventory levels

Number of Unique Parts

- **Impact on Costs**: A high number of unique parts increases procurement complexity, inventory holding costs, and production setup times.
- **Strategies to Leverage**:
  - **Design for Manufacturability (DFM)**: Simplify product designs to reduce the number of unique parts required, making production and assembly more cost-effective.
  - **Supplier Consolidation**: Work with fewer suppliers who can provide multiple unique parts to reduce logistics and procurement costs.
  - **Part Commonality Analysis**: Replace unique components with standardized or modular parts to lower inventory and manufacturing costs

Number of Common Parts

- **Impact on Costs**: Increasing the use of common parts across products reduces complexity and costs associated with procurement, inventory, and production.
- **Strategies to Leverage**:
  - **Component Standardization**: Use common components across multiple product lines to reduce material costs and simplify supplier management.
  - **Bulk Procurement**: Purchase common parts in larger quantities to secure discounts and lower unit costs.
  - **Flexible Manufacturing**: Adapt production lines for interchangeable parts, reducing retooling and setup costs

During every new product evaluation, estimated metrics of Standard vs unique parts need to be assessed before giving clearance. Further, total number of parts should be within the industry benchmark.

Linkage reduction: Strategy to get assembly level or next level components from supplier would reduce number of components. But it merely pushes the problem to the suppliers. So, a separate metric needs to be monitored to ensure that sub-optimized reduction is not implemented.

Leveraging the above Cost drivers, the R&D function can create Modular platforms that can reduce procurement complexity, lowers material cost and streamline assembly processes.

Example in Practice:

Tata Motors has developed several vehicle models using its **OMEGA** (Optimal Modular Efficient Global Advanced) and **ALFA** (Agile Light Flexible Advanced) architectures:

1. **OMEGA Architecture**:
   - **Tata Harrier**: A premium SUV inspired by the Land Rover D8 platform.
   - **Tata Safari**: A larger SUV built on the same OMEGA platform.
2. **ALFA Architecture**:
   - **Tata Altroz**: A premium hatchback.
   - **Tata Punch**: A compact SUV.

These platforms allow Tata Motors to create versatile and robust vehicles while optimizing production costs through Standardised manufacturing processes enabled by these platforms. Further it simplifies supplier collaboration and promotes sustainable practices.

Let us now move to **Procurement and Production** areas:

Number of Common Parts

- **Impact**: Shared components across multiple product lines reduce inventory complexity.
- **Strategies**:
  - **Standardize Parts**: Higher % of common parts usage for different products leads to minimizing inventory variation and streamline stocking.
  - **Bulk Procurement**: Higher volumes from new products having common parts in large quantities can lead to better negotiation of unit costs.

2. Number of Unique Parts

- **Impact**: Unique parts increase inventory holding costs and the risk of obsolescence.
- **Strategies**:
  - **Reduce Uniqueness**: Lessor unique parts in new products would reduce the need for development time and resources with the suppliers. Products that have lower unique parts need a lower specialized inventory.
  - **Supplier Collaboration**: Consolidating suppliers to ensure timely delivery of unique parts, avoiding excess stock and to ensure the right quality. Lead time for procuring these parts could be better managed with few consolidated suppliers.

3. Order Quantity

- **Impact**: Order sizes directly influence inventory costs through storage, handling, and replenishment.
- **Strategies**:
  - **Economic Order Quantity (EOQ)**: Calculate the optimal order quantity to balance ordering and holding costs. Particularly this would be applicable for Common/Standard parts.
  - **Dynamic Reordering**: Use automated systems to adjust order quantities based on real-time demand. This process would be suitable for unique parts.

4. Inventory Management

- **Impact from Standard parts:** Higher standard parts could increase turnover rates, result in lower holding costs and risks of obsolescence. Adopt JIT inventory systems by having strategic relationships with the suppliers. Procure from local suppliers to minimise freight and lead time. Suppliers could also establish their local warehouse to supply large volume materials either daily or hourly.
- **Strategies**:
  - **Improve Sales Forecasting**: Leverage cost driver insights to align inventory with market demand particularly for Unique parts.
  - **Promote High-Turnover Products**: Focus inventory efforts on fast-moving products to reduce idle stock.

5. Sustainability and Compliance- Standard components

- **Eco-Friendly Materials**: Choose sustainable materials that might qualify for government incentives or reduce long-term costs. Benchmark with others in the industry. In the case of Unique components, the efforts may be much more required.
- **Regulation Adherence**: Ensure material source complies with legal and environmental regulations to avoid penalties or disruptions. If standard components are substantial, then adherence becomes easier, since suppliers would be catering to many customers, and their learning would help stabilize things faster.

6. Strategic Sourcing

- **Supplier Relationships**: Build partnerships with reliable suppliers to ensure quality and cost predictability. Negotiate volume discounts and establish long-term contracts for standard components. Further keep in mind to rationalize the number of suppliers to reduce procurement costs.
- **Diversification**: Avoid over-reliance on single suppliers by identifying alternative vendors to reduce risks and foster competition. Also, at the same time, keep in mind to consolidate wherever possible suppliers for Unique parts for effective procurement

Example of Practice

For instance, in the electronics industry, companies might standardize components like connectors and chips across multiple devices. By reducing the number of unique parts and focusing on high-demand components, they minimize storage costs and streamline inventory processes

Emerging Trends in Material Cost Management

1. **Circular Economy Integration**:
    - Companies are increasingly adopting circular economy principles, such as designing products to be disassembled for reuse and recycling materials into new products, reducing material costs over the long term.
    - Example: Closed-loop supply chains where materials are returned and reused after product lifecycle completion.
    - % of reuse or recycled items as raw material could be one of the metrics for new product evaluation.
2. **Digital Twins and Material Optimization**:
    - By creating digital simulations of manufacturing processes, businesses can predict how changes in material choices or processes will impact costs and efficiency.
    - Example: Digital twins can simulate the use of alternative materials, helping businesses identify cost-effective options without physical trials.
3. **Sustainability as a Cost Driver**:
    - More governments and organizations are imposing regulations and incentives around sustainable materials. Using eco-friendly materials can reduce costs in the form of tax incentives or subsidies.

Additionally, many consumers now prefer sustainable products, allowing businesses to charge a premium

Production, Operations and Logistics:

Using standard components offers significant advantages across production engineering, operations, and logistics:

Production Engineering

- **Cost Efficiency**: Standard components are mass-produced, reducing manufacturing costs through economies of scale.
- **Time Savings**: They simplify the design and assembly process, speeding up production cycles.
- **Quality Assurance**: These components are rigorously tested to meet industry standards, ensuring consistent quality.

Operations

- **Streamlined Processes**: Standard components reduce complexity in manufacturing operations, requiring less specialized equipment and expertise.
- **Flexibility**: They allow for easier modifications and upgrades in product designs.
- **Reliability**: Using pre-tested components minimizes the risk of operational failures.

Logistics

- **Simplified Supply Chain**: Standard components are widely available, enabling diversified sourcing and reducing dependency on single suppliers.

- **Inventory Management**: Their uniformity simplifies storage and inventory tracking.
- **Efficient Transportation**: Standardized sizes and specifications optimize packaging and shipping. Opportunity to Reuse inbound packaging materials leveraging industry standards.

By leveraging standard components, businesses can enhance efficiency, reduce costs, and improve overall reliability across these domains.

Warranty Cost Management

Material cost drivers can help companies optimize costs, improve customer satisfaction, and enhance operational efficiency

Identifying Defect Patterns:

- Separate focus could be given for defects arising out of Unique parts. Learning from these defects could be incorporated in future unique parts.
- Higher defect patterns due to standard parts require larger focus and quick remedial action as it may impact several products.
- Products incurring more warranty cost per unit would be part of the Product pruning exercise.

After-Sales Service

Optimizing Spare Parts Inventory:

- **Common parts -** to maintain an efficient inventory of spare parts.
- Unique parts – To create dynamic pricing depending on utility of the product to customers.

Below table gives an imaginary number for the Performance metrics over a period of 3 years. Objective is to visualize the substantial benefits that may accrue to the Total cost across the board because of these key Product cost drivers.

Performance Metrics	Before	After
# of Products	50	43
# of SKU's	250	190
# total no. of components	1000	840
# of Unique components	320	260
# of Suppliers	300	240

Summary of benefits:

Description	Cost Reduction areas
Material Cost	Larger volume discount from suppliers
	Unique parts – Replaced with Std parts
	Modular platform strategy – Cost improvement
	Procurement Cost
	JIT – Inventory carrying cost for std parts

Operations Cost	Manufacturing complexity – faster cycle
	Easier modifications and upgradations
	Quality assurance – Industry std tested parts
	Lower capital cost
Product cost	Improved margins from pruning
	Resources aligned to improve margins
	Lower tooling and amortisation
	Faster development – lowering R&D
	Ramping cost lower
Selling cost and Warranty	Efforts to sell high margin products
	Regional rationalization of products
	Improved sales – quicker deployment
	Agile to tackle competition
	Lower defects due to lessor Unique parts
	Efficient inventory of warranty parts

TOTAL COST MANAGEMENT & PERPETUAL COST MANAGEMENT: A SYSTEMATIC APPROACH TO OPTIMISE COST

Abstract

Total Cost Management is a complete methodology that is used in project management or operational activities to optimize costs, deliverables, and results. It is a powerful tool to improve operational processes and deliver high-quality products within the budget. It is a powerful approach that organizations use for cost optimisation and profitability of the enterprise. With the right strategies, businesses achieve cost advantages and enjoy competitive advantages in their areas of action and the organisations as a whole. Whereas perpetual cost management involves the activities to track the inventory level and values that ensure the records of the inventory are updated regularly and to lower the inventory cost.

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Total Cost Management (TCM)

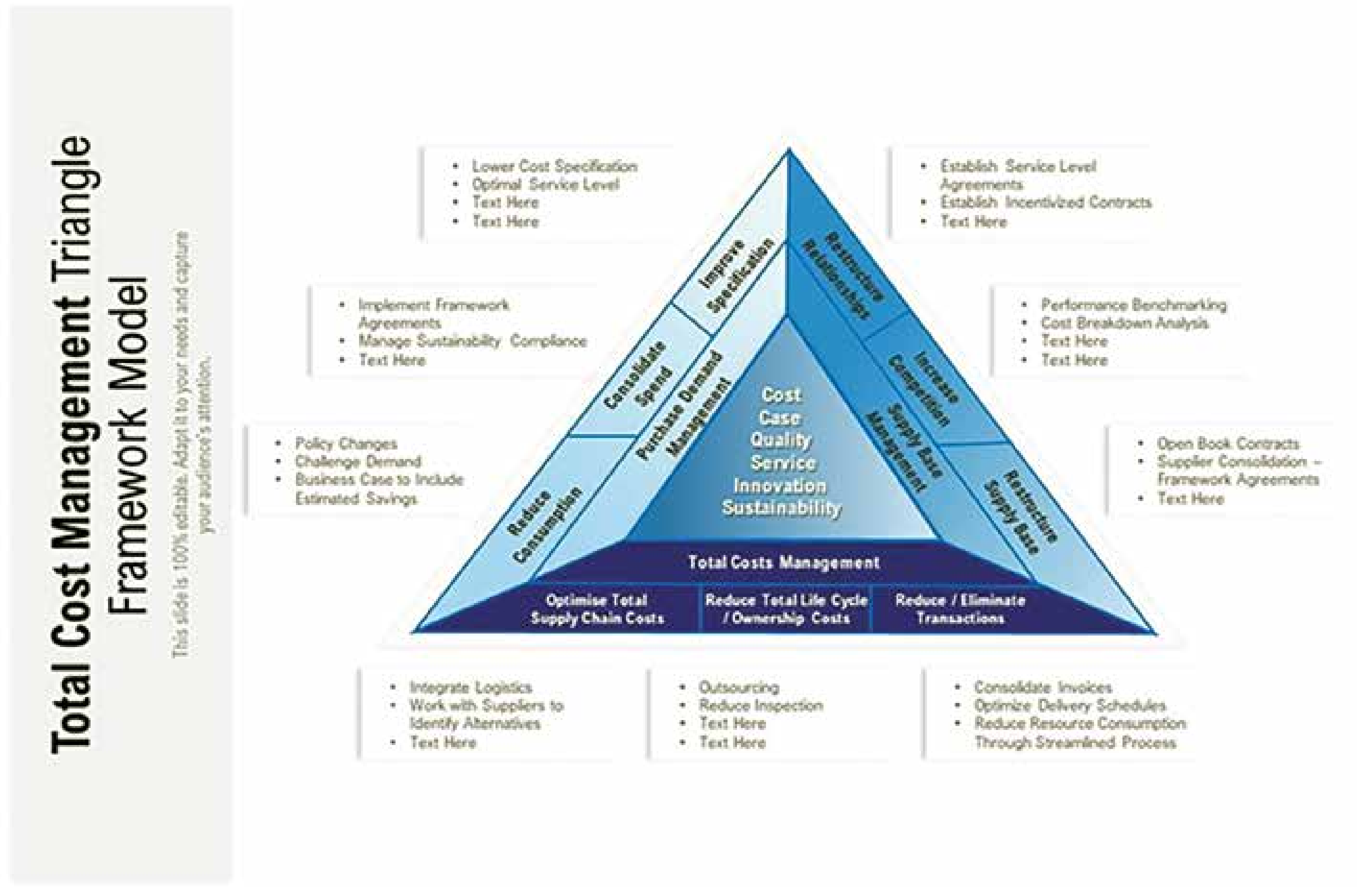
The role of a manager is to find ways & means of optimizing the process of manufacturing, cost reduction, and delivering high-quality output on time. TCM is the methodology that is helping to achieve these objectives. It focuses on the total cost starting from:

a. The asset includes initial costs, operational costs, maintenance, and disposal costs,

b. The goals are to identify,

c. Manage all costs throughout the asset's or project's life cycle to minimize total cost and maximize value.

It is a scientific and systematic approach to project management as well as operational management that aims to optimize costs, deliverables, and final results. The process involves the application and utilisation of various tools and techniques that include estimated cost, budgeting, cost control, value engineering, risk management, Analysis of inventory and value management, etc. By applying the Total Cost management (TCM) techniques, the managers will be able to balance various aspects of a project's objectives, constraints, and stakeholders' expectations and finally achieve the desired result. A TCM framework model is depicted below:



Source: https://www.slideteam.net/total-cost-management-triangle-framework-model.html

It is an organization's strategic approach for an effective management process that regulates the various costs associated with their operational activities. It involves the steps i.e., analysing and optimizing various costs in the entire value chain from the procurement stage to production, distribution, customer service, etc to achieve the following objectives:

i. Identify cost-saving opportunities,
ii. Improving efficiency, and
iii. Finally, enhancing the overall performance and the organization's profitability.

Perpetual Cost Management

Whereas perpetual cost management involves the activities to track the inventory level precisely, updating the records of the cost of goods sold & resources in real-time and the values of the same, enabling better inventory management and cost control. It involves the following activities i.e.;

i. Continuous updating and tracking inventory costs and quantities in real-time as transactions occur,
ii. Providing the management with accurate, up-to-date inventory information.

Components of Total Cost Management

Understanding the concept of Total cost Management (TCM), requires an understanding of its key components i.e.:

a. **Direct Costs:** The costs associated directly with the production activities of goods or services i.e., raw materials, labour, equipment, etc.

b. **Indirect costs**: The costs that are associated are not directly linked to the production process but are still vital for the business process or activities that include various utilities, rent, insurance, administrative expenses, etc.

c. **Life cycle cost**s: The costs encompass all costs associated with a product or service throughout the life cycle i.e. from concept to disposals, etc.

Techniques for Implementing TCM

In today's dynamic business environment, it is an important task for all business enterprises to maximise profitability, gain a competitive advantage, mitigate risks, and make informed decisions. Effective cost management strategies help organisations to optimize their operational performance, reduce expenses, and ultimately achieve long-term success. It requires a strategic approach to implementing TCM in an enterprise. Here are some tips & techniques to consider:

a. **Conduct a comprehensive Cost analysis**: Start by analysing your current costs and identifying areas where improvements can be made. This analysis will help you prioritize cost-saving initiatives.

b. **Employ cross-functional teams**: Total Cost Management involves collaboration across different departments. Cross-functional teams to ensure a holistic approach to cost optimization.

c. **Continuously Monitor and Evaluate**: Implementing TCM is an ongoing process. Continuously monitor and evaluate your cost-saving initiatives to identify areas for further improvement and adoption in the changing, market conditions.

d. **Develop a culture within the organization that promotes cost savings**: Promoting cost-saving initiatives and rewarding the best employee within the organisation for identifying cost-saving opportunities.

e. **Invest in technology solutions**: Adopt technology that will track automotive cost and real-time visibility into expenses across the different departments,

f. **Collaborate with the suppliers and other business partners**: Identify the mutually beneficial business partners, suppliers, etc to improve the cost-saving opportunities in different ways & means.

"Case Study:

1. Walmart

Walmart, the retail giant, has successfully implemented Total Cost Management strategies. The company is famous for its efforts in cost optimization, offering its customers low prices without compromising quality and maintaining its profitability too, which has been achieved through the following steps and prioritizing Total Cost Management. Walmart has been able to dominate the retail industry, consistently outperform its competitors, and deliver value to its customers.

a. Efficient supply chain management,

b. Leveraging its massive purchasing power to negotiate favourable terms with suppliers,

c. Investing in technology to streamline its operational activities,

2. Automobile industry

Many car manufacturers have adopted TCM strategies to optimize costs throughout their supply chains. However, the companies achieved significant cost reductions and maintained their product quality which was possible by collaborating closely with their suppliers by implementing the following i.e. lean manufacturing principles and leveraging technology."

Benefits of TCM:

Total Cost Management (TCM) offers benefits that include cost control, improved resource allocation, better financial planning, and overall success of the enterprise and also helps the organizations to identify and eliminate unproductive expenses, optimization of operational activities, and make more informed decisions.

a. Cost Reduction: TCM analyses and optimizes costs, business enterprises can identify the areas of cost savings and the ways and means to achieve the same and increase the profitability of the enterprise.

b. TCM provides the following benefits:

i. A valuable insight into cost drivers,

ii. Enabling better decision-making, and iii. Better resource allocation.

c. **Enhanced Efficiency**: TCM helps to streamline the processes, identify and eliminate the inefficiencies, operate more efficiently by reducing wastes and increasing the productivity of the organisation.

d. **Cost Control: TCM helps the managers to avail the benefits of cost control mechanism when they have a better understanding of the product costs, identify areas of cost overruns, and control the cost.**

e. Stakeholders' Satisfaction: TCM will be able to fulfill the stakeholders' expectations and also satisfy with the project outcomes.

f. Better Risk Management: TCM integrates risk management into the project management process, which enables project managers to identify and mitigate risks effectively.

g. Increased Value: TCM focuses on delivering value to stakeholders, which leads to higher-quality results.

h. Better Financial Planning: TCM helps organizations in the following ways:

i. To develop useful and accurate budgets,

ii. More accurate forecasts, and

iii. Improved financial plans,

iv. Enabling better management of financial resources and making more informed decisions.

Success of TCM

To ensure the success of Total Cost Management, the managers should follow the following best practices:

i. Involve stakeholders in the cost management process.

ii. Use historical cost data to improve cost estimation accuracy.

iii. Monitor the project's performance against the budgeted expenditure using earned value management.

iv. Use value engineering techniques to optimize the project's design and components.

v. Integrate risk management into the project management process.

Cost Optimisation Strategy

Cost optimization means the process of identifying and implementing measures that minimize expenses while maximizing value and efficiency of a product. It involves various steps & strategies that help to reduce costs without compromising quality or productivity and optimize costs and to achieve sustainable growth. For a better understanding of the concept of cost optimization narrated below:

1. Analysing cost drivers:

To optimize costs, identify and analyse the key drivers behind all the expenses incurred and categorizing the costs into different groups i.e. direct costs, indirect costs, fixed costs, and variable costs, and focus on the areas any scope for significant cost savings.

2. Identifying Inefficiencies:

A thorough assessment of the business processes, supply chain, and operational areas is essential to identify the inefficiencies that exist and adopt action accordingly.

3. Implementing the cost reduction strategies:

Once the areas of inefficiencies are identified, it is essential to develop and implement cost-reduction strategies that vary depending on the specific needs and challenges of the specific organization.

4. Leveraging Technology:

Technology plays a vital role in cost optimization. Leveraging the right tools and software, automating processes, etc helps to improve data accuracy, streamline operations like enterprise resource planning (ERP) systems, and enhance the overall performance of the enterprise.

Perpetual Cost Management

Perpetual cost management involves continuously updating inventory records ensuring real-time accuracy of stock levels and costs.

This approach allows for better inventory control, reduced risk of overselling, and more accurate financial reporting i.e.:

i. **Real-time Tracking:**

   A perpetual system of inventory tracking is more important than periodic physical counts that include purchases, sales, and returns.

ii. **Continuous Updates:**

   Every transaction related to purchase, sale, or transfer automatically updates the inventory records and provides an instant status of the current inventory levels and values.

iii. **Automated Calculations:**

   Software systems calculate the cost of goods sold (COGS), ending inventory, and other relevant figures, with no need for manual calculations.

iv. **Costing Methods:**

   Perpetual systems use various inventory cost methods, i.e., FIFO (First-In, First-Out), LIFO (Last-In, First-Out), or Weighted Average Cost, to calculate how costs are assigned to inventory.

Benefits of Perpetual Cost Management:

i. **Accuracy of Inventory Levels:**

   Real-time tracking ensures that businesses have a clear picture of their current inventory levels, reducing the risk of either stockouts or overstocking.

ii. **Improved Decision-Making:**

   Accurate inventory data allows the management to make informed decisions about purchasing, sales, production planning, etc.

iii. **Enhanced Efficiency:**

   Improved software system reduces manual work and improves overall efficiency, saving time and resources.

iv. **Reduced Risk of Theft or Errors:**

   A continuous audit trail of inventory transactions in the Perpetual systems prevents errors and theft.

Challenges of Perpetual Cost Management:

Apart from the benefits, there are many challenges in perpetual Cost Management, the same are narrated below:

i. **Initial Investment:**
Implementing a perpetual system requires investment in technology software, hardware, training, etc.

ii. **Ongoing Maintenance:**
Continuous effort is needed to ensure the accuracy of the system and maintain the software and hardware.

iii. **Integration with Other Systems:**
Integrating the perpetual system with other business systems e.g., accounting, and sales can be complex.

But, despite the limitations, perpetual cost management provides a dynamic and accurate way to track inventory costs and quantities, leading to better decision-making, improved efficiency, and reduced risks for businesses.

Key Differences between TCM and Perpetual Cost Management

Both TCM & Perpetual Cost Management are effective tools for managing costs, better performance and decision-making processes, and reducing risks to businesses. There are some differences between the two which are narrated below:

Feature	Total Cost Management	Perpetual Cost Management
SCOPE	Covers the entire lifecycle of an asset or project	Real-time tracking of costs and inventory
FOCUS	Minimizing total cost and maximizing product value	Accuracy in cost and inventory records
EXAMPLE	Evaluating the various options, project cost analysis, etc	Retail management, inventory management, etc
RELATIONSHIP	Perpetual cost management is a component of TCM	TCM encompasses a broader range of cost considerations.

Conclusion

Total Cost Management (TCM) is a systematic approach that considers all costs associated with an asset or project over its entire lifecycle or any manufacturing process from initial planning to disposal. TCM adopts necessary technology that provides an understanding of the requirements for managing an organization's costs throughout its value chain. This helps control, reduce, and eliminate costs, ultimately leading to improved financial health and better decision-making, and integrates various cost management aspects, offering a strategic framework for optimizing resource allocation and achieving cost competitiveness.

On the other hand, Perpetual cost management focuses on continuously tracking and updating the cost of goods or resources. It is an inventory management system. Perpetual cost management is a part of TCM, and TCM encompasses a wider range of cost considerations. However, both are effective tools for managing costs, improving efficiency, better decision-making processes, and reducing risks to businesses. TCM is an ongoing process that requires continuous evaluation and adaptation of new technology in today's dynamic world.

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CORPORATE GOVERNANCE: CONCEPTS, CHALLENGES, AND KEY EXAMPLES

Abstract

This article examines the core principles, key challenges, and real-world examples of corporate governance, emphasizing its critical role in fostering ethical business conduct, transparency, and accountability. Corporate governance refers to the system by which companies are directed and controlled by their Boards of Directors and executive leadership. It gained prominence following several high-profile scandals in the late 20th century.

The article explores the fundamental tenets of effective governance, such as intellectual honesty, robust internal controls, and equitable treatment of both internal and external stakeholders. It further argues that governance extends beyond compliance, shaping corporate culture and strategic decision-making.

Notable corporate governance failures, including the Satyam Computers fraud, the Enron scandal, and the Harshad Mehta securities scam, are analyzed to illustrate the consequences of weak oversight and ethical lapses. The role of auditors in safeguarding financial integrity is also discussed, underscoring the importance of independent audit functions.

Lastly, the article proposes practical reforms to strengthen governance, including the adoption of a formal code of ethics, establishment of independent regulatory bodies, and enhancement of whistleblower protections. These measures aim to promote continuous improvement and resilience in corporate governance frameworks amidst evolving business landscapes.

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INTRODUCTION TO CORPORATE GOVERNANCE

Corporate governance is the framework through which companies are directed and controlled, primarily by the Board of Directors and executive leadership. It ensures that organizations are run in a transparent, accountable, and ethical manner, aligning decisions with the interests of all stakeholders.

The concept gained prominence in the wake of major corporate failures during the late 1980s and 1990s, which revealed the severe consequences of poor oversight and unethical behavior (Clarke, 2007). As such, governance is central to organizational integrity and long-term sustainability.

Effective corporate governance builds trust among shareholders, enhances operational efficiency, and protects against risk. When implemented correctly, it fosters ethical leadership and strategic clarity. Conversely, governance failures can erode public trust, invite legal scrutiny, and precipitate financial collapse.

KEY PRINCIPLES OF CORPORATE GOVERNANCE

Effective governance is founded on transparency, accountability, and ethical decision-making. Core principles include:

- **Intellectual Honesty:** Leaders must act with moral integrity and put the organization's interests above personal gain.
- **Internal Controls:** Strong internal systems deter misconduct and support accurate reporting (Mallin, 2013).
- **Stakeholder Fairness:** Governance must reflect a balance between internal (owners, employees) and external (investors, customers, communities, regulators) interests.

Corporate governance is not confined to the boardroom—it permeates work culture, impacts decision-making, and guides the ethical tone of the entire organization.

WORK CULTURE AND GOVERNANCE

A positive corporate culture—built on trust, fairness, and ethical leadership—is vital for sustainable success. Organizations such as Tata Group and Reliance Industries are recognized for exemplary governance. In contrast, Satyam Computers and Enron exemplify the risks associated with weak oversight and toxic leadership (Aguilera et al., 2007).

Corporate governance influences employee behavior, stakeholder relationships, and public perception. Organizations with transparent practices and accountable leadership tend to attract talent, retain customer trust, and perform better over time.

THE IMPORTANCE OF INTELLECTUAL HONESTY

Intellectual honesty is the moral backbone of governance. When leaders prioritize personal interests over organizational integrity, it compromises stakeholder trust and endangers the company's future (Mallin, 2013).

The downfall of Bhushan Steel, marked by unethical leadership and employee mistreatment, underscores how toxic culture and governance failures can lead to organizational collapse.

CASE STUDIES: CORPORATE GOVERNANCE FAILURES

1. Satyam Computers

In 2009, Satyam's chairman Ramalinga Raju admitted to inflating financial records by over ₹7,800 crore. The fraud highlighted severe lapses in board oversight and internal controls (Vasudevan & Kumar, 2010). Despite the presence of independent directors and a reputed audit firm, the manipulation went undetected for years, showcasing systemic failure.

2. Enron Corporation

Enron's 2001 collapse was due to complex financial engineering involving off-balance-sheet entities used to hide debt. Executives misled investors, aided by accounting firm Arthur Andersen, which ultimately dissolved after the scandal (Healy & Palepu, 2003). The scandal brought global attention to the need for regulatory reforms and corporate accountability.

3. Harshad Mehta Scam (1992)

Harshad Mehta exploited systemic loopholes in India's banking system to manipulate stock prices. The resulting market crash triggered reforms in securities regulation and exposed major governance flaws in the financial system (Rao, 1992).

AUDITORS AND THEIR ROLE IN GOVERNANCE

Auditors are key gatekeepers in corporate governance. They ensure that financial reports reflect an accurate and honest picture of a company's performance. The Enron-Arthur Andersen debacle illustrates the catastrophic consequences of compromised auditing (Coffee, 2005).

Independent audits bolster investor confidence and promote accountability. Auditor independence, rotation, and regulatory oversight are crucial for preventing collusion and financial manipulation.

CONTINUOUS REVIEW AND IMPROVEMENT

Corporate governance must be dynamic, evolving with changing regulations, technologies, and risks. Regular reviews, self-assessments, and stakeholder feedback can help refine governance structures (Tricker, 2015). Investors increasingly demand transparency, ESG (environmental, social, governance) compliance, and ethical leadership from the companies they support.

KEY TAKEAWAYS

1. Intellectual honesty and ethical leadership are fundamental to effective governance.
2. Good governance extends beyond compliance—it cultivates a culture of fairness and accountability.
3. Corporate scandals like Satyam and Enron highlight the perils of weak oversight.
4. Independent auditors are essential in maintaining financial transparency.
5. Governance systems must be regularly reviewed and adapted to meet new challenges.

THE SATYAM COMPUTERS SCANDAL: LESSONS IN GOVERNANCE FAILURE

BACKGROUND

Satyam's 2009 scandal remains one of India's largest corporate frauds. Chairman Ramalinga Raju admitted to inflating the company's financials by ₹7,800 crore (SEBI, 2009). The case revealed systemic flaws in board oversight, auditing standards, and internal controls.

KEY FAILURES

- **Weak Independent Directors:** Despite board independence, oversight was ineffective (Chakravarty, 2010).
- **Management Malpractice:** Executives prioritized personal real estate ventures over shareholder interests.
- **Audit Failures:** PwC failed to detect the inflated accounts, compromising investor trust.
- **Manipulated Accounts:** Falsified profits and assets misled the market and regulators.
- **Ignored Whistleblowing:** Early internal warnings were not acted upon until the scandal became public.

GOVERNANCE DEFICIENCIES

- Blatant unethical conduct driven by executive greed.

- Absence of robust internal controls and audit rigor.
- Ineffective whistleblower protections and board accountability.

IMPACT AND REFORMS

The scandal prompted sweeping changes in India's regulatory and corporate governance landscape. These included:

- Strengthened roles for independent directors.
- Mandatory auditor rotation.
- Enhanced whistleblower frameworks.
- Greater scrutiny of financial disclosures.

RECOMMENDATIONS FOR STRONGER CORPORATE GOVERNANCE

1. **Establish a Code of Ethics:** Clear ethical guidelines for leadership and employees.
2. **Independent Regulatory Oversight:** Bodies to monitor audit integrity and compliance.
3. **Auditor Rotation:** To ensure impartiality and prevent long-term collusion.
4. **CEO-Chair Separation:** To reduce power centralization and improve checks and balances.
5. **Whistleblower Protections:** Secure and anonymous reporting channels for internal concerns.

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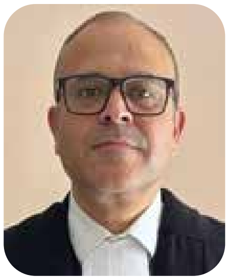
VIRTUAL DIGITAL SPACE: NEW CONCEPTS AND ITS CONSEQUENCE'S - PROPOSED INCOME TAX ACT-2025

Abstract

The Income Tax Bill 2025, while aiming for simplification and clarity in tax laws without significant policy changes or increased penalties, has sparked controversy due to its provisions concerning undisclosed income, particularly within the new concept of "virtual digital space." Despite the straightforward drafting, concerns have arisen regarding the expanded powers granted to tax authorities to access and search virtual digital spaces, potentially overriding access codes based on a "reason to believe" of tax evasion. Critics argue that the lack of clear definitions and procedural safeguards, such as the non-disclosure of the basis for such belief and the absence of mandatory oversight or judicial approval, may infringe upon the right to privacy as established by the Supreme Court, contrasting with safeguards present in other legislation like the PMLA and BNSS. While acknowledging the need to modernize tax investigations in the digital age, the analysis suggests considering the implementation of clearer procedural safeguards, including documented reasons, potential judicial approval, and limitations on the use of accessed information, to balance effective tax enforcement with the protection of individual privacy rights. This article unpacks the highlighting the real concerns on the controversial aspects of the **Virtual Digital Space** in the new revamped act.



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Although significant contributions made in simplification of existing Income Tax Act 1961 by making it more concise, lucid, and easy to read and understand. The drafting style is straightforward and clear. All provisos and explanations are removed. There are no major policy-related changes. There is no increase in punishment and no new prosecution provisions introduced. However; undisclosed income and new concepts in it like virtual digital space has unleashed a storm of controversy in the public domains.

It is not just about the text of the law itself, but also about the narrative spun by various stakeholders, a narrative that often blurs the line between legitimate concern and dubbing as **draconian provisions** in the Income Tax Bill 2025.

However, upon scrutiny of the draconian provisions of the bill, the real story seems to be different. This article unpacks the highlighting the real concerns on the controversial aspects of the **Virtual Digital Space** in the new revamped act.

It provides a detailed examination of the Bill's provisions on Virtual Digital Concepts and legitimacy from the constitutional perspective.

The definition of **'information'** is expanded for issuance of a notice under section 148 (Corresponding **Clause 280** of Income-tax Bill, 2025).

Information Means:

Clause 280(6): For the purposes of this section and section 281, the information with the Assessing Officer which suggests that the income chargeable to tax has escaped assessment means—

a. any information in the case of the assessee for the relevant tax year as per the risk management strategy formulated by the Board from time to time;
b. any audit objection to the effect that the assessment in the case of the assessee for the relevant tax year has not been made as per this Act;
c. any information received under an agreement referred to in section 159of this Act;
d. any information made available to the Assessing Officer under the scheme notified under section 260;
e. any information which requires action in consequence of the order of a Tribunal or a Court;
f. any information in the case of the assessee emanating from the survey conducted under section 253, other than under sub-section (4) of the said section;
g. any directions in the case of the assessee given by the Approving Panel under section 274(6);
h. any finding or direction contained in an order passed by any authority, Tribunal or court in any proceeding under this Act by way of appeal, reference or revision, or by a Court in any proceeding under any other law.

Undisclosed Income: 158BD Corresponding clause 295 of Income-tax Bill, 2025

Under the proposed act, undisclosed income for assessing search cases is defined to include money, bullion, jewellery, or other valuable articles. **The Bill expands this definition to include virtual digital assets.** These include any code, number, or token generated cryptographically and provide a digital representation of value exchanged.

Virtual Digital Space:

The Act allows income tax authorities to enter and search buildings and break open locks. This can be done if certain documents or books of accounts are not produced by a person for whom a summons has been issued under the Act. The Act also empowers the authorities to inspect electronic documents. The Bill retains these provisions and also allows authorities to gain access of a virtual digital space during search and seizure proceedings. The authorities will have power to gain access by overriding any required access code. The Bill defines virtual digital space as an environment, area, or realm that is constructed and experienced through computer technology. It includes email servers, social media accounts, online investment and trading accounts, and websites for storing details of asset ownership.

According to **Clause 247** of the New IT Bill, tax authorities may override a taxpayer's systems to access electronically stored data **if two conditions are met. First,** they must have reason to believe, based on information in their possession, that the taxpayer has evaded taxes or holds undisclosed income, property, or valuable items on which applicable income tax has not been paid.

Second, the taxpayer fails to grant access to that data. Notably, this search process may be authorized under both the New IT Act 2025 and the **Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.**

Under the existing Income Tax Act, 1961 (*IT Act*), Section 132 allowed income tax officers to inspect books of accounts, or other documents maintained as electronic records. Under the IT Act, authorities had the power to break open locks of safes, doors, boxes, lockers, or almirahs if keys were unavailable. In the case of electronic records, individuals in possession of such documents are required to provide necessary assistance in facilitating inspection by tax authorities. **However, the provision did not explicitly state whether authorities could override access to electronic records if it was denied. The power to override access was confined to physical spaces under the IT Act, whereas the New IT Bill extends this power to digital spaces, allowing tax authorities to gain access to virtual digital spaces in cases where access is not granted. By doing so, the New IT Bill introduces a notable shift from the existing legal framework, which does not expressly provide for such digital access.**

Virtual Digital Space (Clause 261(i)) of the New IT Bill defines a "virtual digital space" as any computer-created environment that is separate from the physical world. This space enables interactions, communications, and activities via computer systems, networks, and emerging technologies and is used to create, store, and exchange electronic data. It includes email servers, social media accounts, online investments, trading and banking accounts, websites storing asset details, remote and cloud servers, digital application platforms, and similar spaces.

Clause 261(e) of the New IT Bill further clarifies that a computer system includes not only computers, networks, and devices but also digital or electronic data storage devices—whether used individually or as part of a network. This definition also covers devices used by intermediaries for information creation, processing, storage, or exchange, as well as remote servers, cloud servers, and virtual digital space.

Possible Pitfalls:

The expanded enforcement authority under Clause 247 of the New IT Bill builds on the existing search and seizure power under Section 132 of the IT Act and has raised several concerns.

Firstly, the Bill does not clearly define the extent of the "*reason to believe*" required for these actions.

Even though the extent of the reason for belief is not clear, the Apex Court, in ***Income Tax Officer Ward No. 16(2) v. M/S Techspan India Private Ltd. and Anr.* (2018)** affirmed that there should be a rational nexus between the facts considered and the conclusions reached and that they must not be arbitrary, vague, and based on mere suspicion. Even though the court cannot judge the sufficiency of the ground, it can examine whether the reasons recorded are actuated by mala fides or on a mere pretence and that no extraneous or irrelevant material has been considered.

Additionally, Clause 249 prevents disclosure of the basis for such belief to any person, authority, or the Appellate Tribunal, which means that the specific rationale behind each search may remain undisclosed, preventing taxpayers from effectively challenging searches. This also obfuscates the implementation of judicial principles in relation to the phrase "*reason to believe*".

The inclusion of "digital" elements within the New IT New IT Bill, to address modern methods of tax evasion, may be a valuable addition, but the absence of procedural safeguards to prevent misuse of search and seizure powers also raises concerns about potential privacy infringement.

The Supreme Court's ***K.S. Puttaswamy (Retd.) v. Union of India (2017)*** judgment affirmed that the right to privacy is intrinsic and inalienable under Article 21 of the Constitution. Any intrusion into privacy must meet the following criteria:

a. There must be an existing law that authorizes the intrusion.
b. The law must serve a legitimate state aim and fall within the zone of reasonableness to prevent arbitrary action—prevention and investigation of crimes qualify as legitimate aims.
c. The extent of interference must be proportionate to its objective.
d. There must be procedural safeguards to prevent abuse of power.

While the New IT Bill satisfies the test of legality—having statutory backing once enacted—and aims to curb tax evasion in the digital age, where online platforms can facilitate non-reporting of income or money laundering, it may not fully meet the proportionality standard outlined in *Puttaswamy*. To ensure a balance between privacy and justified enforcement, procedural safeguards could be introduced to prevent arbitrary exercise of power. Justices D.Y. Chandrachud, R.F. Nariman, and S.K. Kaul, in *Puttaswamy*, emphasized that search and seizure powers must be accompanied by procedural safeguards to prevent misuse. Currently, the New IT Bill lacks explicit provisions to ensure searches are conducted with proper oversight by putting in place certain procedural safeguards to guarantee the privacy of individuals.

Crucial safeguards exist in other laws. Under **Section 17 of the Prevention of Money Laundering Act, 2002**, authorities can conduct searches if they have a reason to believe a person is involved in money laundering or possesses related records or property. However, they must record these reasons in writing, and submit them to the Adjudicating Authority immediately after the search.

Section 97 of the ***Bharatiya Nagarik Suraksha Sanhita, 2023*** **(*BNSS*)**, which relates to suspected stolen property, mandates that searches be conducted only after an inquiry establishes sufficient grounds with a warrant authorizing the police to seize relevant property. The requirement to document searches and report them to higher authorities acts as a safeguard. In comparison to the above examples, the New IT Bill significantly expands digital access powers without introducing comparable procedural safeguards.

In contrast, the New IT Bill grants tax authorities access to virtual digital spaces without similar oversight, which may affect individuals' right to privacy in the digital realm. Without safeguards—such as prior approval, effective oversight, and transparency in the basis of search—concerns remain about the protection of personal data. Any intrusion into privacy should be justified by a clear purpose and supported by enforceable procedural guarantees.

Conclusion:

Modernizing tax investigations to address challenges in the digital age is an important objective. However, to align with the proportionality standards set by the *Puttaswamy* judgment, it may be worthwhile to consider clear procedural safeguards. For example, tax authorities might be encouraged to maintain a well-documented, demonstrable reason—beyond mere suspicion—when a taxpayer is believed to be evading taxes or concealing income or property. It could also be beneficial to obtain prior judicial approval before accessing private digital space and to keep detailed records that outline the grounds for such searches.

Furthermore, it may be helpful to clearly specify how information obtained from virtual digital space is used, ideally limiting its application strictly to tax proceedings and preventing any unrelated access. By establishing these explicit protocols and oversight mechanisms, the balance between effective tax enforcement and the protection of individual privacy rights can be maintained within a transparent and accountable democratic framework.

EXCELLENCE IN TAX STRATEGY - THE VISION OF CMAs

Abstract

Navigation towards a comprehensive tax structure is a challenge for the Country, where CMA would play a pivotal role in near future due to its built-up agenda on tax reforms through continuous process of tailor-made strategy for monitoring of compliances of Statutes. Nullification of risks through designed and structured constitution of Department under the Ministry of Finance, RBI, DGRM, GSTIN etc with the help of AI-driven tools.

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Brief history

Federal Tax structure – A mixture of Central & State Govt. conglomeration, the bridging of gap of administration of State machinery into a juncture of complexity. It, thus obviously makes the situation of Central Govt in a highly complexed structure of tax handling. Appropriate planning of tax structure has always been a challenge since independence. Political influence and international pressure too have also been mooting as a challenge simultaneously. Inter-alia intends for tax collection, check-in tax evasion, appropriate distribution for the development, State Govt'.s performance in tax collection and optimum utilisation, removal of revenue blocked in tax-litigations.

According to Manu Smriti, the king should arrange the collection of taxes in such a manner that the taxpayer does not feel the pinch of paying taxes. Chanakya in Artha-sastra introduced the concept of taxation and the system of tax-administration. The modern taxation system was introduced in the year 1860 by James Wilson during the British rule. Further codification was introduced in the year 1922. This system continued till the Income Tax Act 1961 was enacted into effect which has been continuing with some altercation and modification. The Salary Assess Act of 1961 serves as the foundational column of this framework, sketching out the different charges pertinent to people, assess rates, exceptions, and derivations. This set up framework permits people to profit themselves of a large number of findings and exceptions beneath different segments of the Pay Assess Act. Prevalent findings incorporate those for speculations in particular plans (Area 80C), therapeutic costs (Area 80D), and intrigued on domestic credit reimbursements.

Present Crisis and ways uprooted

During the last 77 years of ruling towards advancement in Tax-Administration for having a comprehensive and competitive economy, has witnessed a momentum of growth but with increasing series of litigations both in Direct and Indirect tax collection. To understand the conventional and unused charge administrations a careful analysis in salary streams, derivations accessible, speculation plans, corporate tax, international tax barriers have always been a major area of challenges. Even today, it cannot be said that everything is absolutely systematized and we have a flawless structure and operations in Indian tax system. it was not an easy task to establish an efficient tax system in a developing country like India where large number of people are motivated for cash transactions which dominates the economic activity.

Though it can be well stated that since last 10 years in the country many necessary reforms were constituted to frame a Tax Structure with an appropriate easy judiciary system for minimising *risk of tax-evasion* and *maximisation of tax collections*. But the truth is that, we are yet to arrive at a flawless ideal system of Tax administration. Though there has been significant improvement in the overall tax collections in the *Tax-GDP ratio* of direct taxes and significant movement of expansion in the tax base, still India by and large remains a tax non-compliance country in comparison to Developed Countries especially. The tax-GDP ratio at the tax-to-GDP ratio is still lower than that of developed countries like **OECD (34.1% in 2021)** and the **European Union (25.9% in 2021)**

Digitisation and effects – Fraud nullification

Though after computerisation, most of the processes have been streamlined, yet some of the compliance requirements of the department are complicated, requires a lot of time and cost. It indicates the necessity of next level of reforms in tax structure including reforms in tax administration. To do that, India may adopt global best practices and the reform process successfully implemented by countries like South Africa and Malaysia. The Income Tax Department has to develop non-intrusive methods of evasion, detection and to launch a big drive against tax evaders and black marketers. It is hoped that in due course, the tax-GDP ratio of the country will significantly improve, so as to enable the government to expand its social welfare agenda and help in removal of poverty and backwardness in the country.

The Indian government routinely presents alterations and changes to the coordinate charge administration to adjust with changing financial conditions and citizen needs. Later advancements incorporate the decrease in corporate assess rates for household companies, rearrangements of charge return recording strategies through computerized stages, and activities to broaden the assess base whereas guaranteeing reasonableness and straightforwardness. Coordinate tax collection plays a essential part in India's monetary approach, serving as a crucial source of income for the government.

Need of Navigation

Direct taxation adheres to the *ability-to-pay principle*, a cornerstone of fair taxation. And Indirect Taxes is based on the collection mechanism. The chances of error, fraud and compilation compels to shoulder the burden of higher risks to minimise the chances of tax-evasion. Indirect taxes are again based on the activity of entities in manufacturing, Export-Import, Logistics, Supply chain etc. These are the back-bone of the Economy, needs ingredients through continuous monitoring for running the Government machinery and thus to maintain the equilibrium with the growth of the Developing and the Developed Countries of the Globe.

The benefits of streamlined organization, decreased compliance burdens, persistent refinement of the GST framework, handling of socio-political pressure, leveraging innovation etc., can navigate the tax-administration and judiciary system to run in *hand-with-hand*. GST has accomplished with continuous changes and adjustments which are vital to address operational challenges so as to guarantee the tax-collection with ease of doing business. The expansion of the tax information system (TIN) is expected to advance this cause further, by generating an extensive and reliable database. Continuous Refinement by the GST Council for extensive implementation of GST across remote PAN-India base is a challenging task and the process is continuously working along with emerging issues. In order to have its intended effect on the allocation of resources, the distribution of income, and macroeconomic stability with growth, the tax administration must function with upgraded tecno-based system equated with auto-monitoring and reporting. Although Indian tax system suffers from both low productivity and significant distortions with increasing trend of tax-evasion. And thus, to curb tax-avoidance, escapement from tax payment and to ensure for maximisation of revenue collection in the era of fast-moving digitisation, is in need of reformation with navigation of *one-way tax* system covering the features of both Direct and Indirect taxes.

CMA's Role with Conclusion

Most industrialised states, like Maharashtra, Delhi and Karnataka, contributes maximum to the tax-collection of the country's economy. Thereafter, states like Tamil Nadu, Andhra Pradesh, West Bengal and Gujarat which are also fairly industrialised, contributes significantly. The contribution by poor states like Orissa, MP, Bihar, Himachal, Rajasthan and marginally poor States like Goa, NE-States needs to be looked into. A fairly comparison chart with causes of poor contribution with suggestive approach needs to be studied and to be reported. India has to grow simultaneously. For this all States must be vibrant and strived to overcome the obstacles to be at par in terms of contribution to the Country's Economy. CMA can study such features and suggest to the Government appropriately for implementation.

Traditional factors of cost involvement need to be understood while advising to the GoI. These will be the base of understanding while developing information network to be applied in the technology-based tools. Such as Efficiency of tax collection having direct nexus with the costs of tax collection. It indicates efficiency, if the cost per unit of tax collected declines over time. Normally costs are measured for 100 units of taxes collected and thus that forms the tool of measurement. It is a cardinal principle of taxation that a person should incur bare minimum costs over and above taxes paid by him. Another important factor is probability of detection of such non-compliance by tax administration and taking punitive action; Other examples are costs borne by *the taxpayer* in complying with the tax laws, *costs incurred by third parties* in making TDS etc., *costs borne by the government* as administrative costs, *Cost of collection of taxes* paid to the banks and *costs borne by the economy* in terms of distortion created in investment decisions etc.

At Origin, CMAs Role derived as **a COST-driver (C)** and **its Management (M)** through **Audit (A) CMA.** GoI has to think for the Professionals not only on the compliances on Auditing Standards, Cost Accounting Standards for finalising the respective Audit report but to develop a strategy to look beyond and behind the report. Some of the factors which needs to analyse to get a comprehensive view on the health of the Organisation in terms of growth and avoidance of discharge of appropriate taxes are Inventory valuation, GST and Income tax mis-match, GST-TDS & IT-TDS mis-match, etc. Considering the present era of emerging challenges of reporting not only on the stringent financial reporting, it is the time for CMAs to look beyond, and on Sustainability Reporting (SR), Report on changing on Key-parameters of PI (Performance Index), Report on Global Industry Standard in view of Country's perspective. CMAs may concentrate on *'study on comparison of revenue earned* vis-à-vis discharge of taxes', study and report on *'tariff structure and its comparisons,* globally (**for Electricity, Tele-communications, Drugs & Pharmaceuticals, Petroleum Products, Fertiliser, Sugar, etc**), study and report on *'Logistics, Custom duty collection-Indusry wise*', globally, study and report on *'comparison on Free Trade Zone, Free tax rate Zone, SEZ*', etc., study and report on *'NIL rated, Zero rated Products*' and its effects on tax collection and consequential prudent utilisation.

Tax-collection indirectly refers the total collection of revenue from all perspectives. Fine, late-fee & penalty also contributes for the development and growth of the economy. CMAs can forecast for developing a tentative picture which will depict the tax collection from Both Direct and Indirect taxes, Fines & Penalty pertaining to any of the Statutory Acts like Income Tax Act, 1961, The Companies Act, 2013, The Central Goods & Service tax Act, 2017, the Central Excise Act, 1944, Indian Customs Act, 1961, etc.

It is seen that GoI has spent enough money for implementation of GST to bring the positive effect on straightforwardness, effectiveness, financial development & tax-evasion. But it has been verifiable in every step of introduction and its implementation for challenges cropped up such as the case of fake-invoices and simultaneous introduction of E_Invoice cum E_way Bill, Invoice Management system (IMS), etc. Professional like CMAs etc, are not meant for compiling books of accounts and accounting records for Audit but for marching ahead for the Country's Development and growth. They can play a strategic and innovative role to safe guard revenue and develop updated key-yardsticks for measuring the growth. *Performance-driven* economy is a must and Professionals are the best to dig into. Developing skills in navigating direct and indirect taxes, financial restructuring and financial detection is essential for proving their strategic value. The view of the writer is to express for creating a space which can become the place of CMA who will act as the right hand of the Govt.-machinery irrespective of the need of State and/or Central. Many organizations still perceive CMAs as compliance professionals rather than key Financial cum Management strategist.

Supplemented in line, the digital transformation of tax administration is another area where CMAs can play a vital role with the help of AI-driven technology to make taxation easier and less costly for taxpayers. With the extreme help and support of the Institute, CMAs are built up to lead the future as a strategic-planner to manage risk in advance and thus to create value. The CMAs are trained for understanding and updating the Managerial Techniques such as Total Cost Management (TCM), ABC, BPR, JIT, Financial Re-engineering, Cost-driven factor to measure the performance of the health of the Products of the Industry so as to become a decision-maker. Considering the present era of digitisation, with the help of machine-language, AI-driven accounting and data-analytics, can develop a tool in advance for suggesting and reporting with the right information towards correction and detection of frauds etc. And thus, CMAs can act as a barometer for the GOI. CMAs also need to be aware with the frequent changes in tax laws, compliance requirements and financial reporting standards like Ind AS, BRSR and ESG which are the base for detection and developing information via AI-driven tools, will drive to lead the profession ahead.

BRSR (Business reporting and Sustainability Reporting), **ESG** (Environmental, Social, and Governance), Green Finance, reporting on Carbon foot-print accounting would be the dominant areas of reporting to remain globally a competitive economy. ESG has become an important area of reporting globally as it considers impact of the industry on the environment and its social responsibility and thus it is a part of Corporate-Governance. CMAs also need to study and understand the SAARC, BRICS & ASEAN Countries' industrial and Environmental behaviours so as to apply in the AI-driven tools if the CMAs seek to remain ahead as global Accountant. It's would be pertinent also to that the software accounting like (TALLY in India) not used in USA or UK. Simultaneously it would be a matter of pride that some of the accounting software are developed by the Indian talent, includes ZOHO, XERO, Quick-Books, NetSuite etc.. Thus, in one sided be the master of reporting, recording in advanced technology-based software so as the gain advantageous position in leveraging data for predictive analytics, automation, financial performance and risk assessment.

CMAs **exceptional insight,** to see beyond the present base of tax-administration, reporting and Auditing needs to be opted for the AI-driven knowledge and expertise which will deep-drive into a rewarding career of foresightedness. The expertise of ERP and digital finance skills in technology-driven areas needs be explored for areas like **Suspicious Transaction Reporting** (STR) which is the Responsibility of the Regulated Entities for STR Filing etc is also an area emerging globally. An Advisory role on continuous monitoring on navigation between and within tax collection, tax-avoidance, tax evasion, productions, export, mis-match, gap of revenue leakage is highly recognisable areas of expertise would stand for in very near future. Thus, CMAs would play a pivotal role to blossom-up the **Goal set-up by the Hon'ble PM for Vikshit Bharat-2047** through the rigorous and relentless efforts of the Think-tank of the Institute towards making the CMAs as a vibrant player to be highly instrumental in nurturing, upkeeping the process, design and modulations set by the GoI via navigation of tax-system for achieving the excellence.

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KNOW AND CARE
BRSR

Abstract

The impact of BRSR extends **beyond national boundaries,** serving as a credible framework for **business sustainability on a global scale.** The consequences of neglecting the **3 Ps—People, Planet, and Profit—and their influence on the 3 Es—Ecology, Equity, and Economy—are already evident.** Across all nations—**developed, developing, or underdeveloped**—and at every scale, from **micro to mega enterprises,** both **local** and **global entities** must embrace the principles of **Business Responsibility and Sustainability Reporting (BRSR).** As **Prime Minister Mr. Narendra Modi** aptly states: ***"Reform, Perform, Transform."*** BRSR is a powerful enabler of this vision, driving organisations to reform their practices, perform with purpose, and transform sustainably for the future.

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Business Responsibility and Sustainability Reporting (BRSR) embodies what Theodore Roosevelt once wisely said: *"Nobody cares how much you know, until they know how much you care."*

In today's VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) world—it's not enough for businesses to simply *know*; they must also *care*. BRSR emphasizes the importance of both understanding and acting on the 3Ps: **People, Planet, and Profit**. It's a call to balance insight with empathy, strategy with sustainability.

P	**EOPLE** **LANET** **ROFIT**

What is BRSR?

Business Responsibility and Sustainability Reporting (BRSR) provides structured disclosures on an organization's environmental, social, and economic impacts—both positive and negative. Introduced in India, by the **Securities and Exchange Board of India (SEBI)**, the BRSR framework mandates certain listed companies to report on **Environmental, Social, and Governance (ESG)** aspects as part of a standardized and mandatory process.

The primary objective of the BRSR framework is to enhance **transparency** and encourage the adoption of **responsible and sustainable business practices**. As W. Edwards Deming aptly stated, *"Without data, you're just another person with an opinion."* In this context, BRSR is not just about presenting data—it's about embedding sustainability into the core of corporate strategy and communicating that commitment transparently to stakeholders.

This initiative ensures that **investors** gain access to **reliable, comparable ESG disclosures**, empowering them to identify sustainability-related risks and opportunities more effectively and make informed investment decisions. Simultaneously, it enables **companies** to clearly articulate their sustainability goals, progress, and positioning—ultimately contributing to long-term value creation.

The BRSR framework serves as a compass to track and guide progress across the **3Ps: People, Planet, and Profit**—while also aligning with the **3Es: Ecology, Equity, and Economy.** It helps organizations assess their impact holistically and move towards a more sustainable and inclusive future.

PEOPLE	>>	**ECOLOGY**
PLANET	>>	**EQUITY**
PROFIT	>>	**ECONOMY**

Why is BRSR Required?

Currently, **Business Responsibility and Sustainability Reporting (BRSR)** is required / mandated for the top 1,000 listed companies in India by market capitalization. These companies are required to file a BRSR report with SEBI, disclosing key information about their environmental, social, and governance (ESG) initiatives and performance.

Financial Year	Applicability by Market Capitalization
2023-24	Top 150 Listed Companies
2024-25	Top 250 Listed Companies
2025-26	Top 500 Listed Companies
2026-27	Top 1000 Listed Companies

In today's business landscape, success is no longer measured by financial performance alone—it also depends on a company's broader impact on people, communities, and the environment.

The BRSR framework draws from the National Guidelines on Responsible Business Conduct (NGRBCs) and seeks disclosures from listed entities based on its nine foundational principles. Reporting under each principle is structured into two categories:

- **Essential indicators** – mandatory for all eligible companies
- **Leadership indicators** – voluntary, showcasing higher levels of commitment and best practices

By offering a structured and transparent format, BRSR enables following stakeholders to better understand how businesses are integrating responsibility and sustainability into their core operations.

- Capital Providers
- Colleagues
- Communities
- Creditors
- Customers

BRSR enables a comprehensive assessment of an organization's key capitals—including

- **Natural capital,**
- **Social capital,**
- **Human capital,**
- **Financial capital, and**
- **Manufacturing capital.**

This holistic approach helps businesses understand and communicate the value they create across multiple dimensions.

When is BRSR Used?

The **Business Responsibility and Sustainability Reporting (BRSR)** framework is a key tool used by companies in India to disclose their **Environmental, Social, and Governance (ESG)** performance. As global awareness around sustainability grows, **ESG scores**—which quantitatively measure a company's performance across these dimensions—have become increasingly important for all stakeholders to evaluate a company's risks, opportunities, and ethical standing.

ESG scores typically range from 0 to 100, where a score below 50 may indicate weak sustainability practices, while a score above 70 reflects strong ESG performance. In today's era—marked by **Net Zero commitments, Carbon Control mandates, and VUCA (Volatility, Uncertainty, Complexity, and Ambiguity)**—a strong ESG score is not just a benchmark, but a strategic imperative for sustained growth and profitability. This makes BRSR reporting essential.

Moreover, the impact of BRSR extends **beyond national boundaries**, serving as a credible framework for **business sustainability on a global scale**. The consequences of neglecting the **3 Ps—People, Planet, and Profit—and their influence on the 3 Es—Ecology, Equity, and Economy—are already evident**, reinforcing the urgency for responsible corporate behaviour.

Who Prepares BRSR?

Preparing a **Business Responsibility and Sustainability Report (BRSR)** is a critical responsibility, often entrusted to an assigned officer—**a highly rewarding and strategic career opportunity for Cost and Management Accountants (CMAs)**. Supported by a dedicated team, this officer ensures that companies mandated to comply with **SEBI's BRSR reporting requirements** invest in the right systems and processes across four key stages:

1. Understanding the BRSR Framework

- **Familiarize with the BRSR guidelines** and its alignment with the National Guidelines on Responsible Business Conduct (NGRBCs).
- **Identify material ESG issues** relevant to the company's operations and stakeholders.

2. Data Gathering and Analysis

- **Collect data** across all relevant Environmental, Social, and Governance (ESG) parameters.
- **Ensure data quality and integrity** through verification processes and internal controls.

3. Assessing and Reporting

- **Assess ESG performance** against set benchmarks and industry standards.
- **Prepare the BRSR report**, ensuring compliance with SEBI's structure and disclosure requirements.
- **Obtain external assurance**, where applicable, to enhance credibility and trust.

4. Implementation and Continuous Improvement

- **Set targets and KPIs** for sustainability performance improvement.

- **Implement sustainability initiatives** in line with business strategy.
- **Monitor and evaluate progress** through periodic reviews and updates.
- **Engage stakeholders** to gather feedback, build trust, and align expectations.

This structured approach not only ensures regulatory compliance but also strengthens the company's sustainability strategy, enhances stakeholder confidence, and positions it for long-term value creation.

When is BRSR Used?

India is steadily progressing toward establishing a robust regulatory framework around Environmental, Social, and Governance (ESG) practices. With the introduction of the **Business Responsibility and Sustainability Reporting (BRSR)** framework, the **Securities and Exchange Board of India (SEBI)** has positioned the country among a growing group of nations mandating comprehensive and standardized sustainability reporting.

The BRSR framework is **aligned with leading international standards** such as the **Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD)**, and the **Sustainable Development Goals (SDGs)**. This alignment ensures consistency, comparability, and global relevance.

Through BRSR reporting, companies are expected to:

- Highlight **sustainability-related challenges** they face.
- Disclose **ESG-related goals, targets, and achievements**.
- Map out potential **risks and opportunities** associated with their ESG journey.

BRSR serves as a vital tool for communicating a company's **non-financial disclosures** and should be recognized as a **natural progression in ESG reporting**. As envisioned by SEBI, publishing a BRSR report is not merely a compliance requirement—it reflects an organization's commitment to responsible business conduct and sustainable growth.

This reporting framework not only satisfies **national compliance** but also opens the door for **international stakeholders** to gain deeper insights into Indian companies' **non-financial risks and opportunities**. By implementing BRSR, India is setting a strong precedent in addressing climate change and advancing corporate accountability through strict sustainability policies and practices.

Structure of the BRSR Report

The BRSR format comprises three key sections:

1. **General Disclosures**

   Provides foundational information about the company, including its size, operations, location, workforce, product portfolio, and Corporate Social Responsibility (CSR) initiatives.

2. **Management and Process Disclosures**

   Focuses on the company's internal policies and governance processes related to the **National Guidelines on Responsible Business Conduct (NGRBC)** principles. This section also emphasizes leadership practices, stakeholder engagement, and provides links to relevant company policies.

3. **Principle-wise Performance Disclosures**

   Requires detailed reporting on the company's performance across the **nine principles of the NGRBCs**. Companies must demonstrate how they integrate responsible business practices into their operations, supported by measurable actions and outcomes.

- **Essential Indicators** – Mandatory disclosures that all eligible companies must report.
- **Leadership Indicators** – Voluntary disclosures that reflect a company's advanced commitment to ESG excellence.

The BRSR is not just a regulatory compliance tool—it is a strategic instrument that enables businesses to build trust, drive long-term value, and contribute meaningfully to global sustainability efforts.

The following are the 9 principles which are part of the BRSR disclosures:

Principle #	Principle Name
1	Integrity, Ethics, Transparency, Accountability
2	Safe and Sustainable Goods and Services
3	Well-Being of Employees
4	Respect and Responsiveness to all Stakeholders
5	Respect and Promote Human Rights
6	Respect, Protect and Restore the Environment
7	Responsible and Transparent Policy Advocacy
8	Promote Inclusive Growth and Sustainable Development
9	Provide Value to Consumer Responsibly

The above-mentioned principles are mapped with the following 17 Sustainable Development Goals (SDG):

(Source: https://sdgs.un.org/goals)

Goal #	Sustainable Development Goal (SDG)
1	No Poverty
2	Zero Hunger
3	Good Health and Well-being
4	Quality Education
5	Gender Equality
6	Clean Water and Sanitation
7	Affordable and Clean Energy
8	Decent Work and Economic Growth
9	Industry, Innovation and Infrastructure
10	Reducing Inequality
11	Sustainable Cities and Communities
12	Responsible Consumption and Production
13	Climate Action
14	Life below Water
15	Life on Land
16	Peace, Justice and Strong Institutions
17	Partnerships for the Goals

The BRSR report discloses the data of the above 9 principles with the corresponding SDG's as mentioned below:

Goal #	Sustainable Development Goal (SDG)	Principle #
1	No Poverty	**3,4,8**
2	Zero Hunger	**2,6,7,8,9**
3	Good Health and Well-being	**3,6,8**
4	Quality Education	**3,8,9**
5	Gender Equality	**3,4,5,8**
6	Clean Water and Sanitation	**2,6,8**
7	Affordable and Clean Energy	**2,6,7**
8	Decent Work and Economic Growth	**2,3,5,8**
9	Industry, Innovation and Infrastructure	**3,4,8**
10	Reducing Inequality	**2,6,7**
11	Sustainable Cities and Communities	**3,4,7,8**
12	Responsible Consumption and Production	**2,6,9**
13	Climate Action	**2,6,7,8**
14	Life below Water	**2,6,7,8,9**
15	Life on Land	**2,6,7,8,9**
16	Peace, Justice and Strong Institutions	**1,3,4,5,8**
17	Partnerships for the Goals	**1,7,8**

What are Benefits of a Well-Prepared BRSR Report?

A comprehensive and thoughtfully crafted **Business Responsibility and Sustainability Report (BRSR)** offers numerous benefits to companies and their stakeholders. It not only ensures compliance but also enhances the organization's strategic positioning in today's sustainability-driven business environment.

Strategic and Operational Benefits

- Enhances **transparency** and **accountability**
- Supports the development of a **sustainable, long-term business strategy**
- Enables organizations to **look beyond financials**, emphasizing environmental and social performance
- Helps in **identifying and assessing sustainability-related risks and opportunities**
- Provides an opportunity to **establish or streamline internal systems and processes**

Investor and Market Benefits

- Equips investors with **reliable, ESG-aligned information** to make **better, informed investment decisions**
- Attracts **larger and long-term capital investments** into companies with higher ESG metrics
- **Aligns with global ESG reporting standards** (e.g., GRI, TCFD, SDGs), ensuring **international relevance**
- Enhances **brand image** and builds **market credibility**

Stakeholder and Employee Engagement

- Increases **stakeholder trust** through meaningful and transparent disclosures
- Facilitates **more effective engagement** with stakeholders
- Improves **employee retention and engagement** by aligning company values with ESG initiatives
- Strengthens **competitive advantage** through responsible business practices

Risk Management and Communication

- Improves **risk management capabilities** by recognizing ESG-related risks early
- Acts as an **effective mode of communicating non-financial performance**
- Promotes **higher standards of ESG disclosures**, aiding in attracting **responsible investment**

Key Stakeholders Benefiting from BRSR Reporting

A well-prepared BRSR report provides valuable insights and benefits to a wide range of stakeholders, including:

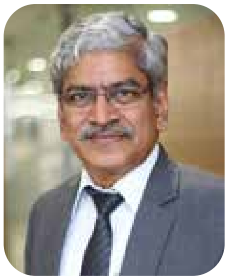
- **Capital Providers** – Shareholders, banks, and financial institutions benefit from clearer ESG risk assessments.
- **Colleagues** – Gain confidence in the company's ethical and sustainable practices, boosting morale and retention.
- **Communities** – Understand how the company impacts and engages with local and global society.
- **Creditors** – Can better assess the company's long-term viability and risk exposure.
- **Customers** – Prefer to engage with brands that are socially and environmentally responsible.

Across all nations—**developed, developing, or underdeveloped**—and at every scale, from **micro to mega enterprises**, both **local** and **global entities** must embrace the principles of **Business Responsibility and Sustainability Reporting (BRSR)**. As **Prime Minister Mr. Narendra Modi** aptly states: ***"Reform, Perform, Transform."*** BRSR is a powerful enabler of this vision, driving organizations to reform their practices, perform with purpose, and transform sustainably for the future.

GST IN INDIA: THE JOURNEY SO FAR AND THE UNFINISHED AGENDA

Abstract

The Goods and Services Tax (GST) was successfully rolled out in India on July 1, 2017. This was a significant and comprehensive indirect tax reform designed to unify the fragmented tax structure, usher in moderate tax rates, streamline compliance and ensure seamless flow of credits across the supply chain. This article discusses to what extent the stated objectives have been achieved and outlines the areas requiring government intervention to address the pain points of the industry.



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Introduction

The role of Cost and Management Accountants (CMAs) has seen a paradigm shift in the recent times transitioning from traditional cost computation to strategic management of costs including taxes. Any lapse in tax compliance results in increased costs in the form of additional tax outgo, interest and penalties. Similarly, a missed opportunity to avail eligible credits or incentives would directly impact costs. Today's CMAs are expected to play a key role in business and towards this are expected to be well-versed in the areas of taxation, technology and supply chain.

Tax is a key dimension of any business. As is often said Tax can make or mar a business highlighting the need to handle this area with utmost care. Indirect Taxes being transactional taxes affect every business transaction and require continuous attention. This article discusses GST, implemented by the Government of India from July 1, 2017. GST marked a transformative shift in the country's indirect tax landscape. It is necessary to have a sound understanding of the GST law to ensure full compliance including tax payments and credit availment. In order to harness the full benefits of GST regime, it is equally important to bring the anomalies and pain points of the new tax regime to the notice of the Government for timely redressal. This will ensure that the GST regime turns out to be a win-win for both the government and the industry.

Pre-GST Indirect Taxes Landscape and the Need for Reform

It is necessary to discuss the pre-GST tax regime to understand the difficulties faced by the businesses and the environment leading to implementation of GST. Prior to GST, India's indirect taxes system with multiple taxes levied by the Centre and States was riddled with inefficiencies. The rates of State taxes were not uniform across the States and this prevented India being seen as a unified market. The taxable events varied (For example excise duty on manufacture, State Vat on sales) and taxes levied on different value bases often resulting in tax cascading. Further, the availability of input tax credits was restricted. The taxes levied by the Centre could not be set off against taxes levied by the States and vice versa. Inter-State sales attracted non-creditable central sales tax (CST) resulting in additional cost. Multiple taxes levied under different laws meant that the businesses were subject to undue compliance burden.

Recognizing the imperatives for a more effective taxation framework, India initiated tax reforms in the early 1990s coinciding with the liberalization of the economy. This was a continuous process with the Centre and States trying to reform the taxes and credit mechanism under their respective jurisdictions in a phased manner. The services taxation started in a small way in the year 1994 and soon got extended to almost all services.

A unified GST was seen as the logical next step towards enhancing ease of doing business, creating a more equitable tax structure, widening the tax base, improving revenue generation and attracting foreign direct investments. In the year 2009 the Empowered Committee of State Finance Ministers and the Task Force on GST appointed by the Thirteenth Finance Commission submitted their reports which discussed the contours of the proposed GST regime in detail. Finally, after significant deliberations, GST was introduced in the year 2017 marking a key milestone in the reform process.

Broad features of the GST Framework

GST unified the fragmented indirect tax system into a single streamlined framework. All intra-state supplies of goods and services were subject to a dual GST – Central GST (CGST) and State GST (SGST), both applied on the same value base. Inter-State supplies were subject to an Integrated GST (IGST), being the sum of CGST and SGST. Key exclusions included alcohol for human consumption, petroleum products and electricity.

The CGST subsumed most of the then prevailing central taxes like Central Excise, Service Tax, CVD, surcharges, cesses etc. Similarly, the SGST subsumed the State taxes like VAT/Sales tax, Entertainment tax, Luxury tax, State cesses, Entry tax etc.

Contrary to expectations of a single or dual rate system, GST operates across five tax slabs: 0%(exempt), 5%, 12%, 18% and 28% with majority of items falling in the 18% category. In addition, a compensation cess is levied on select goods.

Free flow of credit is envisaged both at intra and inter-state levels. The GST regime mandates a technology driven compliance system to minimize tax leakages/mis-use of credits and promote transparency.

The GST council which is chaired by the Union Finance Minister and has representatives from both Central Government and State Governments plays a pivotal role in policy making and driving its implementation.

During the eight years following GST roll out there have been many changes in the GST rates of goods and services and also in various provisions of the GST Act/Rules covering registration, invoicing, return filing, e way bills, assessments, litigation etc. These were often in response to feedback from trade and industry. The sheer quantum and frequency of the changes suggest that the system is still evolving and there are areas requiring government attention and addressing them early will help stabilize the new tax regime.

Benefits of the GST Regime

GST has delivered significant benefits across all stakeholders namely businesses, government and the citizens. GST has brought in buoyancy to the government revenues by widening the tax base and ensuring improved tax payer compliances. The GST collections went up from ₹ 90,000 Cr/month in 2017-18 to ₹ 1,84,000 Cr/month in

2024-25. The credit mechanism under GST has encouraged small businesses also to seek GST registration leading to formalization of the economy. The taxpayer base more than doubled from 67.83 lakhs in year 2017 to 150 lakhs in Jan 2025. The 13th Finance Commission projected a GDP uplift of 1.5% on account of GST implementation.

In a single stroke, GST has converted India into a unified market removing all inter-state barriers with respect to trade and redefining logistics and supply chain planning in the process. Abolition of the 2% non-creditable CST on inter-state sales and replacing same with creditable IGST has obviated the need to have warehouses in every state to compete with local suppliers.

Under the GST structure, all different stages of production and distribution can be interpreted as a mere tax pass through and the tax essentially sticks on the final consumption. The seamless flow of credit ensures tax neutrality across the value chain mitigating the ill effects of tax cascading. Again, the fungibility of credit between the central and state taxes including on inter-state procurements has greatly benefitted the businesses.

Under GST businesses need to deal with only one law and one tax as against the earlier situation of dealing with multiple central and state taxes. Harmonization of laws, procedures and rates coupled with common definitions, common formats have made compliance easier and simple. The compliance is further streamlined thanks to digital implementation of GST envisaging interface of taxpayer through common portal (GSTN), online submissions and electronic documentation.

Overall GST is expected to lower the cost of goods and services, boost the economy and make our products and services globally competitive. With the average tax burden expected to come down on account of the above factors, it's the consumers who would ultimately benefit in the form of reduced prices.

Unfinished Agenda: Focus Areas

We are in the eighth year post the GST roll out. During these years the benefits of the new tax regime in the form of revenue augmentation, widening the tax base by way of increase in the number of tax payers were clearly visible. The government also engaged with the trade and industry on a continuous basis addressing their concerns. This would be evident from the number of GST council meetings to discuss the industry issues leading to issue of numerous clarificatory circulars/instructions. In spite of these positive actions, there are still open issues remaining to be resolved by the government. Some of the issues requiring immediate action are discussed below.

GST Rates Rationalization

GST was founded on the notion of 'one nation, one market, one tax'. The task force report of the 13th Finance Commission suggested that there should be no differentiation between goods and services so as to ensure there is no classification dispute and suggested a GST rate of 12% other than non-sin goods. While a single rate of GST may not be feasible considering the current imperatives, the present five rates tax structure would need a review. There should be a clear plan to transition to a 3-tier rate structure and lay out a clear time bound road map for achieving the same.

Another area of concern is the recent trend of having different rates of GST for the same products with minimal value addition. The differential rates for popcorn and the differential rates for food served in restaurants illustrate the point. Reducing the number of rates would bring clarity and efficiency eliminating the classification disputes in the process.

Dispute Resolution

The dispute resolution mechanism requires a complete overhaul. There are several disputes at different levels of the adjudication process remaining unresolved. It is common to see conflicting approaches by the State and Central officers and also between State officers of different States on the same issue. The advance ruling mechanism has not been effective. Compared to the Pre-GST era, the pre-deposit amounts are higher. Further, since the GST Tribunals are not yet functional there are a flood of cases before the High Courts. All these have significantly increased the compliance costs of the tax payer. When the GST Tribunals become functional, it is expected that there would be a rush and huge number of appeals will get filed on pan India basis. There is an urgent need to operationalize the Tribunals early.

On the area of dispute resolution, the government could consider extending the amnesty scheme introduced till 2019-20 by 2 more years, i.e. till 2021-22. A roll back of the pre-deposit amounts to the levels prevailing in Pre-GST era would ease the cash flows of the businesses. To make the advance ruling mechanism effective, the level of the AAR needs to be equivalent to that of a Tribunal. Besides these measures, there would be some action required to proactively reduce the number of disputes by identifying the potential area of disputes, discussing with the industry on those issues and issuing suitable clarifications basis those discussions for uniform implementation by field formations.

Liberalized input tax credit regime

The task force report of the 13th Finance Commission observed that GST is the most elegant method of eliminating distortions and taxing consumption. Under this structure GST should essentially stick on the final consumption and the GST on all prior stages to final consumption should be available as set-off. However, GST credits are actually blocked on legitimate business expenses relating to construction of immovable property and certain employee welfare expenses. Where the income from immovable property is subject to GST, there is every case to allow credits for the GST paid on creating that immovable property. Similarly, GST paid on all expenses recognized as a business expenditure under Income Tax should be available as credit to maintain consistency.

Addressing contentious issues

In addition to the issues identified above, a few resulting in multiple litigation issues are listed below which require redressal in the true spirit of the GST regime:

- GST on transactions between related parties without consideration
- GST on transfer of leasehold rights where States treat it as immovable property transaction and levy stamp duty
- Clarifications on the issues surrounding the export of services, including intermediary services
- Streamlining the refunds involving inverted duty structure to include input services and capital goods
- Streamlining of audits and assessments for entities with multi-State operations

Instead of allowing pile up of disputes and later work on reducing pending disputes, it would help if the government simultaneously addresses dispute prevention on priority.

Conclusion

The underlying principles of the GST regime are laudable and designed to make the goods and services produced or provided in India competitive in both the international and domestic markets. However, its success depends on consistent implementation aligned with its original vision. The implementation issues discussed in this article are required to be addressed on priority, which will help establishing GST as a good and simple tax.

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BLENDING IND AS, BRSR, AND ESG FOR COMPREHENSIVE FINANCIAL REPORTING

Abstract

In the context of corporate organizations, where ownership and management are distinct, financial reporting gains particular significance. The Indian Accounting Standards (Ind AS), Business Responsibility and Sustainability Reporting (BRSR), and Environmental, Social, and Governance (ESG) factors each play a crucial role in the preparation and presentation of financial reports. This paper aims to explore the integration of these three essential components in order to develop a holistic framework for comprehensive financial reporting.

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Introduction:

The Central Government of India has adopted International Financial Reporting Standards (IFRS) as Indian Accounting Standards, under the guidance of the Accounting Standards Board of the ICAI and in consultation with the National Financial Reporting Authority (NFRA). This convergence has resulted in the creation of IND AS, which offers a comprehensive framework for financial reporting, ensuring that true economic outcomes are effectively communicated to users of financial information.

On the other hand Business Responsibility and Sustainability Reporting (BRSR) refers to an integrating reporting framework. BRSR helps to increase the level of reporting on ESG which stands for Environmental, Social, and Governance performances of the company. BRSR requires companies to report ESG performance indicators to ensure that they practise responsible business and achieve sustainable development. This makes the financial reporting more transparent, responsible and accountable.

Indian Accounting Standards (Ind AS):

The importance of Ind AS lies in its capacity to enhance transparency, accountability, and comparability in financial statements, ultimately improving the overall quality of financial reporting. These Accounting Standards have been established by the Ministry of Corporate Affairs (MCA) in India.

The implementation of Ind AS offers numerous advantages for financial reporting. Adopting these standards enables companies to achieve greater transparency, fostering trust among investors and stakeholders. Additionally, Ind

AS facilitates improved comparability with international firms, aiding in more informed investment decisions. By providing stakeholders with a clearer and more comprehensive understanding of a company's financial position and performance, Ind AS represents a significant advancement in India's accounting framework, promoting best practices in financial reporting.

Ind AS are named and numbered in the same way as the corresponding IAS. For Ind AS corresponding to IFRS, it is necessary to add 100 to the number of IFRS. For example, Ind AS number is 101 for the corresponding IFRS number1. Similarly, IFRS 2 corresponds to Ind AS 102 and so on.

Objectives of Indian Accounting Standards:

The Indian Accounting Standards (Ind AS) were introduced in India to align Indian accounting practices with international standards. The following are the objectives of Ind AS:

1. Uniformity and Consistency
2. International Convergence
3. Transparency and Accountability
4. Reliability and Credibility
5. Investor Protection
6. Facilitation of Cross-Border Transactions

Introduction to BRSR:

The foremost objective of BRSR is to promote responsible business practices which contribute to sustainable development. BRSR enhances corporate governance. It fosters a culture of ethical practices in the companies. The Securities and Exchange Board of India (SEBI) developed the first regulatory disclosure framework, known as the Business Responsibility Report (BRR), in response to the National Voluntary Guidelines (NVG) on the Social, Environmental, and Economic Responsibilities of Business in 2012. However, in 2018 it was found that the BRR Reports lacked quality, making the reporting untrustworthy. Consequently, Business Responsibility and Sustainability Reporting (BRSR) framework came into being in 2019 (Mathur, 2024)[1].

BRSR aims to provide the stakeholders with clear insights into a company's efforts towards sustainability. It empowers companies to play a proactive role in societal welfare and environmental management. The key components of BRSR include disclosures related to policies and practices on sustainability, environmental management, social responsibility, and corporate governance. India's introduction of the Business Responsibility and Sustainability Report (BRSR) further reinforces the role of Boards in promoting responsible business practices (Sharma, 2024)[2].

Objectives and Significance of BRSR in Corporate Governance:

The following are the objectives of BRSR in Corporate Governance:

1. Enhance Transparency
2. Encourage ESG Prioritization
3. Foster Ethical Decision-Making
4. Stakeholder Engagement
5. Drive Sustainable Development
6. Informed Investment Decisions

[1] *Chartered Secretary, THE JOURNAL FOR GOVERNANCE PROFESSIONALS, VOL 54 | NO. : 05 | Pg. 1-180 | MAY 2024 | (P 52).*
[2] *Chartered Secretary, THE JOURNAL FOR GOVERNANCE PROFESSIONALS, VOL 54 | NO. : 05 | Pg. 1-180 | MAY 2024 | (P 46).*

7. Build Trust
8. Improve Corporate Reputation

Introduction to ESG Framework:

The Environmental, Social, and Governance (ESG) framework comprises a set of criteria designed to assess a company's dedication to sustainability and ethical practices. The impact of ESG performance on firm value and profitability has been a topic of discussion in academia and business research for several years (Aydogmus, 2022)[3]. ESG assessments help investors make informed decisions by highlighting the potential risks and opportunities associated with a company's operations, ultimately promoting sustainable business practices and enhancing overall corporate accountability.

Environmental, Social, and Governance (ESG) criteria are a set of standards designed to evaluate a company's operations and impact. These criteria assess how businesses manage risks and opportunities associated with sustainability, social responsibility, and governance practices. The importance of ESG criteria lies in their capacity to guide investment decisions, enhance corporate accountability, and promote sustainable practices, ultimately benefiting stakeholders and society as a whole. The growing emphasis on ESG factors in investment decision-making signifies a shift toward sustainable investing, as investors increasingly recognize that ESG considerations can influence financial performance and help mitigate risks.

Current trends in ESG reporting:

ESG factors play a crucial role in shaping corporate strategy by encouraging companies to incorporate sustainability into their operations and decision-making processes. Recent trends in ESG reporting indicate a growing adoption of integrated reporting frameworks, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). In response to stakeholder demand, companies are emphasizing transparency regarding climate risks and social impacts. This commitment to ESG not only helps organizations identify potential risks and opportunities but also aligns their objectives with societal expectations.

Synergies Between Ind AS, BRSR, and ESG:

The synergies between Ind AS, BRSR, and ESG frameworks enhance corporate accountability and sustainability. Ind AS provides a rigorous accounting standard, while BRSR focuses on transparent sustainability reporting. Together, they enable companies to align financial performance with ESG principles, fostering responsible business practices. This integration not only drives stakeholder trust but also supports informed investment decisions, promoting long-term organizational success.

Ind AS, BRSR, and ESG frameworks complement each other in financial reporting by creating a comprehensive approach to corporate transparency and accountability. Ind AS ensures robust financial accounting standards, while BRSR emphasizes sustainable and responsible business practices. Together, they align financial and non-financial reporting, enabling investors and stakeholders to assess a company's overall performance holistically. This synergy fosters informed decision-making, enhances corporate reputation, and drives sustainable growth, ultimately benefiting both businesses and their stakeholders.

Challenges in Integration:

Integrating Ind AS, BRSR, and ESG frameworks presents several challenges:

1. **Firstly,** companies often struggle with aligning diverse reporting standards, leading to inconsistencies in data.

[3] *Borsa Istanbul Review, Volume 22, Supplement 2, December 2022, Pages S119-S127*

2. **Secondly,** the lack of comprehensive training and awareness can hinder effective implementation. Additionally, collecting and verifying relevant ESG data poses logistical difficulties.
3. **Finally,** the varying stakeholder expectations can create pressure, making it challenging to balance financial performance with sustainability goals, ultimately impacting the overall effectiveness of integration efforts.

Identifying common barriers to blending the frameworks:

Recognizing the common barriers to integrating Ind AS, BRSR, and ESG frameworks is essential for enhancing corporate sustainability practices. Major challenges include the absence of standardized metrics for assessing ESG performance, limited stakeholder awareness, and organizational resistance to change.

Issues related to data collection, verification, and consistency are critical in ensuring the reliability of sustainability reporting. Inaccurate or incomplete data can compromise the integrity of reports, leading to misinformation and mistrust among stakeholders. Overcoming these barriers is crucial for cultivating a unified approach that effectively encourages transparency and responsible business practices across all frameworks.

Regulatory hurdles and evolving standards:

Regulatory hurdles and evolving standards present significant challenges for businesses striving to maintain compliance and drive innovation. As regulations continually adapt to address emerging risks, companies must navigate complex frameworks that often vary across regions. This dynamic landscape requires ongoing investment in compliance processes and employee training. Organizations that successfully navigate these challenges can harness agility to strengthen their competitive advantage, all while ensuring compliance with regulatory requirements and aligning with global best practices. To overcome challenges related to implementing Ind AS, BRSR, and ESG frameworks, companies should adopt several strategies:

1. **First,** invest in training programs to enhance employee understanding of these standards.
2. **Second,** implement robust data management systems to streamline reporting processes.
3. **Third,** foster a culture of transparency and ethical governance across all levels.
4. **Lastly,** engage stakeholders through regular communication, ensuring their input is integrated into sustainability practices, thus promoting compliance and overall effectiveness.

Best Practices for Blending Frameworks:

Blending frameworks like Ind AS, BRSR, and ESG can optimize corporate governance and sustainability. Best practices include fostering cross-departmental collaboration to ensure seamless integration of financial and sustainability data. Regular training for staff on sustainability reporting standards can enhance compliance and transparency. Additionally, leveraging technology for data collection and analysis streamlines reporting processes. Encouraging stakeholder feedback helps refine practices and ensures alignment with broader industry standards, bolstering trust and accountability in the organization.

Organizations should adopt a cohesive strategy to integrate Ind AS, BRSR, and ESG by aligning financial and sustainability reporting processes. Investing in training for staff on these frameworks is essential. Establishing clear communication channels with stakeholders can enhance transparency. Regularly reviewing and updating policies ensures compliance and relevancy, while setting measurable sustainability goals fosters accountability and drives continuous improvement. Blending Ind AS, BRSR, and ESG frameworks will transform future reporting practices by fostering holistic transparency. This integration ensures that financial and sustainability metrics are reported together, enhancing stakeholder trust.

Insights from industry leaders and successful case studies:

Insights from industry leaders and successful case studies reveal best practices in navigating challenges and achieving growth. These examples highlight innovative strategies, effective leadership, and the importance of adaptability in a dynamic market. By learning from real-world successes, businesses can implement proven methodologies, drive operational excellence, and foster a culture of continuous improvement to enhance their competitive advantage.

Importance of stakeholder engagement in the process:

Stakeholder engagement is crucial for fostering collaboration, gaining insights, and building trust. It enables organizations to understand diverse perspectives, address concerns, and incorporate feedback in decision-making processes. Active engagement fosters a sense of ownership among stakeholders, enhances transparency, and promotes accountability. Ultimately, it leads to more informed strategies, improved corporate reputation, and strengthened relationships, driving sustainable growth and success.

The Role of Technology and Digital Transformation:

Technology and digital transformation are crucial for enhancing operational efficiency, driving innovation, and improving customer experiences. By harnessing data analytics, automation, and artificial intelligence, organizations can streamline their processes, make informed decisions, and quickly adapt to market changes. This proactive approach ultimately fosters growth and helps maintain a competitive advantage in their respective industries.

The growing demand for integrated reporting:

The growing demand for integrated reporting reflects a shift towards comprehensive corporate transparency. Stakeholders seek unified insights that combine financial performance with environmental, social, and governance (ESG) metrics. This holistic approach enhances decision-making, fosters trust, and drives sustainable business practices, ultimately benefiting both organizations and their diverse stakeholders.

Conclusion:

Integrating Ind AS, BRSR, and ESG frameworks enhances corporate accountability and sustainability. This alignment fosters transparency, drives responsible business practices, and builds stakeholder trust. Companies that embrace these synergies are better positioned to thrive in a competitive landscape while contributing positively to society and the environment. Ultimately, thorough reporting fosters accountability and strategic planning, contributing to sustainable growth and long-term success for businesses.

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NAVIGATING THE BRSR LANDSCAPE: AN EXPEDITION INTO THE REALM OF RESPONSIBLE BUSINESS PRACTICES

Abstract

This article, is an effort to make the readers understand the landscape of Business Responsibility and Sustainability Reporting, its background and way forward. The background describes the major instances from 1945 till current date at international level. The BRSR landscape with reference to India, covers the development from 2009 till now. Presently only top 1000 listed companies as per market capitalization, are mandated to report on ESG issues in BRSR. BRSR is governed by 9 principles, that give a roadmap to integrate the business operations and Sustainable practices. Reporting format is divided into 3 parts that includes general disclosures, Management and Process Disclosures and Principle wise performance disclosures. To make the business responsible towards people and planet, an integrated reporting framework common for all businesses to be in place. Such initiatives will make India, a better place to live now and a sustainable planet for gen next.

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1.0 Introduction

In the present environmental crisis shrinking of forests, expanding deserts, dipping ground water level, high land, water, air and radiation pollution, increasing degenerative diseases occurrences, rising social unrest etc. are prominently visible. And it has not happened overnight.

Like a doctor first takes the history of disease before treatment, it is needed to visit the past 100 years of history to get a clear perspective of the events that one after the other lead to the present global crisis.

In this article, an effort has been made to understand the landscape of Business Responsibility and Sustainability Reporting, its background and way forward.

2.0 Need for Sustainability

In 1945, during and after the World War 2, the United States emerged victorious and most powerful. As the old colonial powers had fallen apart, US was obliged to act as the new world power. For this, it needed a vision of a new global order.

It was beginning of 'The Idea of Development', writes Wolfgang Sachs, an eminent German researcher and writer, in his book 'The Development Dictionary', now a classic in development studies.

"The concept of development provided the answer. Clothing self-interest in generosity, Harry Truman, the then president of America, outlined an array of development programs of technical cum financial assistance through UN which were nothing more than projecting the American model of society on to the rest of the world."

"Every ten years, in 1960, 1970 and 1980 successively, the success of the development idea was reviewed and it was found that the trumpeted growth policies were not working. Poverty increased precisely in the shadow of wealth, unemployment proved resistant to growth and the food situation could not be helped through building steel factories."

"But that did not mean that under the Truman's doctrine, the idea of development have to be abandoned, instead its field of application was successively enlarged to new target groups viz. unemployment, injustice, the eradication of poverty, basic needs, women, rural development, small farmers and the environment etc. The development idea became self-propelling, whatever new crisis arose a new strategy to resolve it was devised."

"By 1983, UN General Assembly realized that the development model has caused heavy deterioration of the human environment and natural resources and decided to establish the 'Brundtland Commission'. The 'Brundtland Report', in 1987, for the first time coined and defined the meaning of the term "Sustainable Development".

The report defined Sustainable Development as "Meeting the needs of the present without compromising the ability of future generation to meet theirs." It rests on the fine equilibrium of Profits, People and Planet derived from Economy, Society and Environment.

Careful observation and analysis of the words – 'Sustainable' and 'Development' reveals a contradictory message. Almost all development activities have roots in power generation. Majority of the power comes from oil, coal, natural gas, uranium which are exhaustible. But power generation from renewable sources like sunlight, wind, geothermal, hydro, hydrogen, biomass, ocean tides etc. with new technologies again burdens the Earth with new problems. Under sustainable development, the rate of exploitation is reduced.

3.0 Navigating through Sustainability Reporting in India

5 years after establishing the idea of sustainable development, all major governments came together under one roof to discuss about the most burning topic of that time i.e. **Climate Change**, at **Earth Summit** in Rio De Genario in April 1992. By this time, the impact of loss of bio diversity, Ozone layer depletion etc. was clearly visible in the form of desertification, melting of glaciers and rise in temperature of Earth. As a remedial measure two bodies were formed viz. the United Nations Framework Convention on Climate Change (UNFCC) and the Convention on Biological Diversity (CBD).

Since Industry was the biggest contributor to this situation, it was decided to include business community to make them realize their role and responsibility. As a result 'World Business Council for Sustainable Development' (WBCSD) was also formed during Earth Summit. The Council ensured participation of business world through a reporting system that revolved around the Economic, social and environmental responsibilities of the business.

In India, voluntary reporting on social responsibility, was first time introduced by MCA in 2009. Voluntary Guidelines on Corporate Social Responsibility (CSR), aimed at encouraging businesses to adopt socially and environmentally responsible practices and provided a framework for companies to engage in CSR activities and contribute to the social and economic development of communities, particularly in the vicinity of their area of operations.

These 2009 guidelines were later refined into the National Voluntary Guidelines (NVGs) on Social, Environmental, and Economic Responsibilities of Business in 2011 and provided reporting framework under National Guidelines on Responsible Business Conduct (NGRBC).

In 2012, SEBI in its Listing Regulations, provided for mandatory filing of Business Responsibility Reports (BRRs) from an environmental, social and governance perspective, for top 100 listed companies by market capitalisation. These BRRs enabled business to demonstrate the adoption of principles laid down in NVGs with the intent of engaging businesses more meaningfully with their stakeholders going beyond regulatory financial compliance. This mandatory filing was extended to top 500 companies in FY 2015-16.

In 2017, SEBI, gave an option to top 500 listed companies to voluntarily adopt Integrated Reporting format for BRR. Later on, mandatory filing of BRR was extended to top 1000 listed companies by 2020.

On 25th March 2021, SEBI replaced BRR with BRSR (Business Responsibility and Sustainability Reporting), that eventually mandated the top 1000 listed companies (as per market capitalization) to disclose their impact on the environment, society, and governance on a compulsory basis for FY 2022-23.

4.0 BRSR: The Current Reporting Driver

SEBI, vide its circular dated May 05, 2021, introduced new reporting requirements on ESG (Environmental, Social and Governance) parameters called the Business Responsibility and Sustainability Report (BRSR). Further, SEBI Circular dt.10th May 2021, narrates, "In recent times, adapting to and mitigating climate change impact, inclusive growth and transitioning to a sustainable economy have emerged as major issues globally. There is an increased focus of investors and other stakeholders seeking businesses to be responsible and sustainable towards the environment and society. Thus, reporting of company's performance on sustainability related factors has become as vital as reporting on financial and operational performance."

SEBI, further lays down its intention to gather quantitative and standardized information on ESG parameters to facilitate comparison across sectors, time and companies. Such disclosures will be helpful for investors to make better investment decisions and other stakeholders to look beyond financials and appreciate social and environmental concerns of the business.

a. Guiding Principles:

The BRSR is governed by 9 basic principles as laid down in National Guidelines on Responsible Business Conduct (NGRBC). These principles give a roadmap to integrate the business operations and Sustainable practices. These are enumerated below:

Principle 1	Businesses should conduct and govern themselves with **Ethics, Transparency, and Accountability.**
Principle 2	Businesses should provide **goods and services that are safe and** contribute to **sustainability** throughout their life cycle
Principle 3	Businesses should **promote the well-being of all employees**
Principle 4	Businesses should respect the interests of and be **responsive towards all stakeholders**, **especially** those who are disadvantaged, vulnerable, and **marginalized**
Principle 5	Businesses should respect and **promote human rights**
Principle 6	Businesses should respect, protect, and **make efforts to restore the environment**
Principle 7	Businesses, when **engaged in influencing public and regulatory policy, should do so in a responsible manner**
Principle 8	Businesses should **support inclusive growth and equitable development**
Principle 9	Businesses should engage with and **provide value to their customers** and consumers **in a responsible manner**

b. Benefits of BRSR

Benefits of adopting BRSR are manifold, some of these are listed below:

- Driving sustainable development
- Increased Trust and Transparency for stakeholders
- Enhanced Investor Confidence
- Competitive Advantage
- Alignment with Global Standards of sustainability reporting
- Mitigating Environmental Risk and improved organisational resilience
- Employee Engagement and Community Impact

c. Reporting Timeline:

At present, BRSR is mandatory for top 1000 listed companies as per marketing capitalisation, for rest all it is voluntary to submit. This is to be submitted along with Annual report as its part in the prescribed format. Time limit for filing is same as for filing of Annual Report. Applicability of BRSR Submission is given in Table 1

Table 1

Financial Year	Applicability of BRSR Core to Top listed Entities
2023-24	Top 150 Listed Entities
2024-25	Top 250 Listed Entities
2025-26	Top 500 Listed Entities
2026-27	Top 1000 Listed Entities

5.0 Reporting Domain

BRSR is designed as a very exhaustive report detailing every non-financial aspect of business with an indication of financial impact of the activity, where ever relevant. The entire report is divided broadly into three parts.

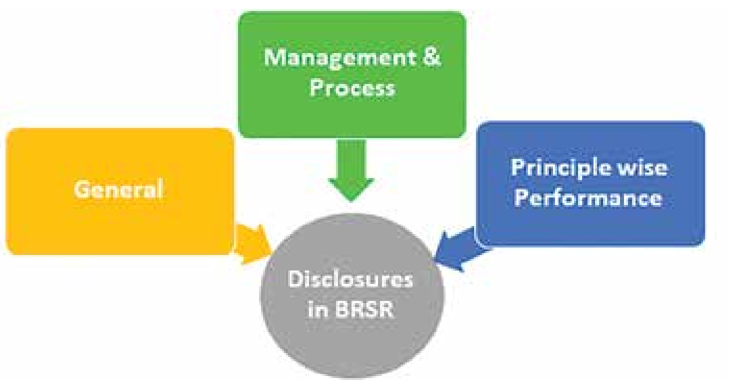

Figure 1: Disclosures in BRSR

a. General Disclosures:

This section gives the basic details of the entity like name, address, contact details, with details of subsidiary companies, details of business, products and services offered, locations, market, employee details, CSR details etc. Under transparency and disclosure compliance, entity needs to disclose the Complaints/Grievances on any of the BRSR Principles. Lastly an overview of the entity's material responsible business conduct issues to be disclosed. All strategic, operational and social issues need to be disclosed along with their financial implications.

Strategic issues include disclosure about Greenhouse Gas Emissions and Climate Change Management, application of Circular Economy practices, Water consumption and effluent discharge, energy management etc.

Disclosure of operational issues include occupational Health and Safety, Air quality management, Bio diversity, Research and Development. Social disclosures include supply chain sustainability, employee wellbeing, community support and CSR initiatives.

b. Management and Process Disclosures:

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines for Responsible Business Conduct (NGRBC) Principles and Core Elements.

c. Principle wise Performance disclosures:

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The Performance disclosure is for all 9 principles. The information sought is categorised as "Essential" and "Leadership" for every principle. While the Essential Indicators are expected to be disclosed by every entity that is mandated to file this report. Whereas, the Leadership Indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

- **Essential Indicators**: are used as a framework for companies to report on their performance on the critical sustainability aspects.
- **Leadership Indicators**: include more developed elements of sustainability, including the greenhouse gases (GHG) emissions, energy and water usage, and value chain assessment etc.

6.0 Way Forward

In nut shell, it can be said that BRSR is a compliance mandate and a communication platform for corporates to showcase their sustainability initiatives and demonstrate their commitment to responsible business practices. [vi] Currently BRSR is at a very infancy stage and a bit challenging for the corporates to report. It is needed at every level to take few effective steps to make this reporting mechanism suitable for all businesses. Few of these steps are listed below:

a. Its relevance needs to be appreciated by everyone in the business value chain,

b. Enterprises from micro to large scale, need to be sensitized about environment protection and social inclusivity

c. Focus of Research and development practices to be on the technologies that make a business carbon neutral and gradually progress towards carbon negative.

d. Facilities for Carbon credit trading to be systematised and propagated at every level, so that people can consider it as a clean source of revenue.

7.0 Conclusion

Concluding, it can be said that to make the business responsible towards people and planet, an integrated reporting framework for all businesses irrespective of industry, its size, organisation and capital structure, market capitalisation and profitability etc. to be in place. Such initiatives will make India, a better place to live now and a sustainable planet for gen next.

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IND AS 16: ACCOUNTING FOR PROPERTY, PLANT, AND EQUIPMENT - FOUNDATION OF FINANCIAL REPORTING STABILITY

Abstract

Indian Accounting Standard 16 (Ind AS 16) prescribes the accounting treatment for property, plant, and equipment (PP&E). As a fundamental standard, it ensures that users of financial statements can clearly understand an entity's investment in long-term tangible assets. We will try exploring the scope, recognition, measurement, disclosure requirements under Ind AS 16, its impact on businesses, and the evolving role of Cost and Management Accountants (CMAs) in its application.

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Introduction:

Property, Plant, and Equipment (PP&E) are vital to business operations, especially in capital-intensive sectors such as manufacturing, construction, infrastructure, and energy. Correct accounting of PP&E influences not only a company's balance sheet but also key financial ratios and investment decisions.

Ind AS 16, largely aligned with IAS 16 of the IFRS framework, sets comprehensive principles for the recognition, measurement, depreciation, and derecognition of tangible fixed assets. Its rigorous approach ensures consistency, reliability, and comparability in financial reporting.

Scope of Ind AS 16:

Ind AS 16 applies to accounting for PP&E, except when another Ind AS requires a different accounting treatment. Examples of excluded items:

- Biological assets (covered under Ind AS 41)
- Mineral rights and reserves (e.g., oil, gas, and similar non- regenerative resources)
- Investment property (covered under Ind AS 40)

Key Definitions

- Property, Plant, and Equipment are tangible items and are
  a. Held for use in production, supply of goods or services, for rental to others, or for administrative purposes.
  b. Expected to be used for more than one reporting period.
- Carrying Amount: The amount at which an asset is recognized after deducting accumulated depreciation and accumulated impairment losses.

Recognition Criteria

An item of PP&E should be recognized as an asset when:

1. Probable Future Economic Benefits: It is probable that the entity will derive future economic benefits from the asset.
2. Reliable Measurement: The cost of the asset can be measured reliably.

Measurement at Initial Recognition

Cost Model:

At acquisition, PP&E is measured at cost, which includes:

- Purchase price (Including import duties and non-refundable taxes)
- Directly attributable costs (e.g., delivery, site preparation, installation)
- Initial estimated dismantling and removal costs

Exclusions from cost: General administrative expenses, abnormal wastage of materials or labor, and initial operating losses.

Subsequent Measurement:

After initial recognition, an entity must choose between below two models:

Model	Description
Cost Model	Carrying amount = Cost - Accumulated Depreciation - Accumulated Impairment
Revaluation Model	Carrying amount = Fair value at revaluation date - Subsequent Depreciation - Subsequent Impairment

If the revaluation model is used, it must be applied consistently to the entire class of assets.

Depreciation:

Depreciation systematically allocates the depreciable amount of an asset over its useful life.

Key Aspects:

- Depreciable Amount: Cost less residual value
- Useful Life: Reviewed at least annually
- Method: Should reflect the pattern in which economic benefits are consumed — straight-line, diminishing balance, or units of production method.

Change in estimated useful life or residual value must be accounted for prospectively as a change in accounting estimate under Ind AS 8.

Component Accounting:

When an asset comprises parts with differing useful lives or patterns of consumption, each component must be depreciated separately.

Example: An aircraft's airframe and engine are depreciated separately if their useful lives differ significantly.

Derecognition:

An asset is derecognized:

- On disposal, or
- When no future economic benefits are expected from its use or disposal.

Gain or Loss on Derecognition = Proceeds - Carrying Amount

Such gains or losses are recognized in the profit or loss statement.

Disclosures:

Entities must disclose:

- Measurement bases used
- Depreciation methods and rates
- Gross carrying amount and accumulated depreciation
- Reconciliations of the carrying amount at the beginning and end of the period

Enhanced disclosures improve transparency, aiding stakeholders in evaluating the efficiency of asset utilization and investment.

Practical Challenges:

- Asset Componentization:

  Requires detailed analysis and record-keeping, often needing external valuation support.
- Fair Value Estimations:

  Under the revaluation model, periodic fair valuations demand professional judgment and may introduce volatility.
- Capitalization vs Expense Decisions:

  Judging what costs to capitalize versus expensing can be complex, especially in large infrastructure projects.
- Impairment Testing:

  PPE must be tested for impairment when indicators exist, applying Ind AS 36 principles.

Recent Updates Related to Ind AS 16:

In global IFRS, an amendment to IAS 16 (which may soon reflect in Ind AS) prohibits deducting proceeds from selling items produced while bringing an asset to its intended location and condition (e.g., test production sales) from the cost of PPE. Instead, such proceeds must be recognized in profit or loss.

This change:

- Increases transparency,
- Separates operational results from capital asset accounting,
- Impacts industries like mining, oil & gas, and manufacturing during the construction phase.

Indian regulators are expected to incorporate this update soon into Ind AS 16.

The Strategic Role of CMAs in Applying Ind AS 16:

We, CMAs, can play a very crucial role in ensuring the effective application of this standard:

1. *Capital Budgeting and Cost Analysis*

   We must ensure that capital expenditure decisions are based on sound financial modeling, capturing all attributable costs correctly.

2. *Asset Componentization Studies*

   With our analytical skills, we can lead the asset segmentation exercises, optimizing depreciation charges for better profit analysis.

3. *Revaluation and Impairment Analysis*

   We can help in assessment of fair value and impairment reviews, ensuring compliance and preserving asset value in the books.

4. *Life Cycle Cost Management*

   We can focus on total life cycle costs, promoting efficient asset maintenance strategies that extend useful lives and improve ROI.

5. *Internal Controls and Compliance*

   We can design internal controls over fixed asset accounting, safeguarding against misstatements, fraud, and inefficiency.

6. *Decision Support in Make-or-Buy Analysis*

   Through proper costing of PP&E usage, we can provide insights into whether internal production or outsourcing is more viable.

Conclusion:

Ind AS 16 is not merely an accounting standard — it embodies the strategic stewardship of long-term tangible assets. Proper application ensures that an entity's true economic strength is reflected fairly and transparently.

We, CMAs, having our core expertise in cost control, strategic analysis, and financial stewardship, have a crucial role to play. As organizations seek to maximize the utility of their asset bases and adapt to evolving regulations, we must lead the way with ***Insight***, ***Integrity***, and ***Innovation*** to achieve highest level of ***Corporate Excellence.***

FINANCIAL SHENANIGANS AND AI IN ACCOUNTING: ROLE OF FINANCE PROFESSIONALS IN DETECTION AND SAFEGUARDING INTEGRITY

Abstract

Financial shenanigans: manipulative accounting practices, continue to challenge the integrity of financial reporting. This article examines how Artificial Intelligence (AI) is emerging as a vital tool in detecting such malpractices through anomaly detection, predictive analytics, and real time monitoring. It highlights the growing adoption of AI across industries and the pivotal role finance professionals, particularly Cost and Management Accountants (CMAs), play in leveraging these technologies to uphold ethical standards and ensure compliance. As AI reshapes the accounting landscape, its responsible integration becomes essential for safeguarding financial transparency.

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In today's complex financial landscape, the manipulation of financial statements, commonly referred to as financial shenanigans, poses significant risks to stakeholders and the integrity of markets. As these deceptive practices evolve, so too must the tools and techniques used to detect and prevent them. Artificial Intelligence (AI) is emerging as a pivotal ally in this endeavor, offering advanced capabilities to identify anomalies and reinforce ethical standards in accounting.

Before moving into the subject, lets understand the meaning of shenanigans, in simpler terms, the Oxford Dictionary defines shenanigans as *mischievous or deceitful behavior. A devious trick used especially for an underhand purpose.*

Reasons / motivation for Financial Shenanigans:

- To please the stakeholders.
- Meet the financial targets. To incentivize the management.
- To cover up the uncertain financial position.
- Manipulate the valuation of the company, increase stock price.

- Secure financing at a favorable rate.
- To get the shares listed at a premium.
- To avoid taxation.

For finance professionals, embracing AI is not just about operational efficiency, it's about reinforcing our role as stewards of corporate integrity. As we enter a data-driven future, the fusion of accounting expertise with intelligent technologies will be essential in upholding trust in financial markets.

Understanding Financial Shenanigans

Financial shenanigans encompass a range of deceptive accounting practices aimed at presenting a misleading picture of a company's financial health. Common tactics include:

- **Premature Revenue Recognition:** Recording revenue before it is earned to inflate earnings.
- **Expense Misclassification:** Shifting regular operating expenses to capital expenditures to enhance profitability.
- **Off-Balance-Sheet Financing:** Using special purpose entities to hide liabilities and debt.
- **Channel Stuffing:** Forcing distributors to purchase more inventory than they can sell to boost sales figures.

These practices can erode investor trust, distort market valuations, and, in severe cases, lead to corporate collapses.

AI's Role in Detecting Financial Shenanigans

AI technologies are revolutionizing the field of accounting by providing tools that can process vast amounts of data, recognize patterns, and detect irregularities with unprecedented speed and accuracy.

1. Anomaly Detection

AI algorithms can analyze large datasets to identify transactions that deviate from established patterns, signaling potentially fraudulent activity. For instance, AI can flag:

- Unusual journal entries.
- Transactions just below authorization thresholds.
- Inconsistencies in vendor payments.

2. Natural Language Processing (NLP)

NLP enables the analysis of unstructured data, such as management commentary and earnings calls, to detect:

- Changes in language tone or complexity.
- Repetitive or evasive language.
- Discrepancies between verbal statements and financial data.

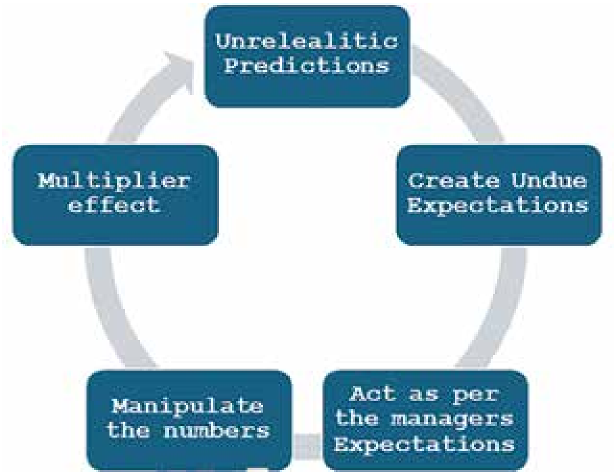
3. Predictive Analytics

By examining historical data, AI can forecast expected financial outcomes. Significant deviations from these forecasts, without clear justification, may indicate manipulative practices.

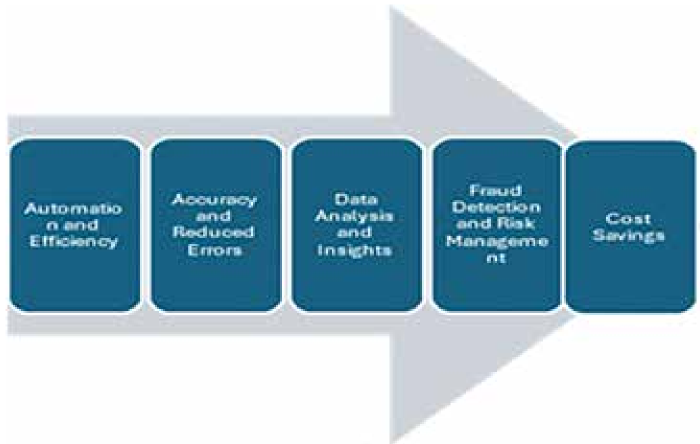
4. Continuous Monitoring

AI systems can provide real-time monitoring of financial transactions, ensuring compliance with accounting standards and internal controls, thereby reducing the window for fraudulent activities.

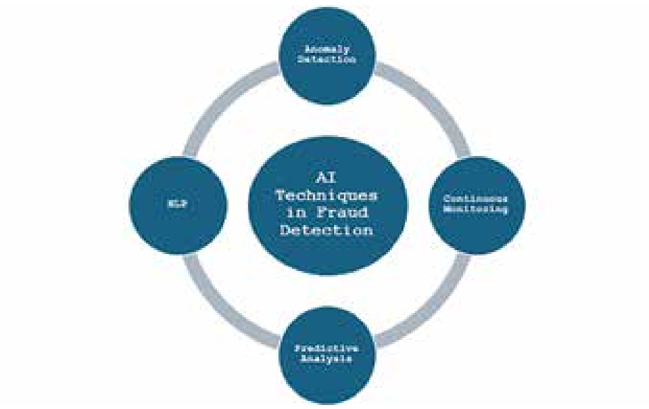
Cycle of Financial Shenanigans



Benefits of AI in accounting



Fraud Detection Cycle



Industry Adoption and Impact

The integration of AI into accounting practices is gaining momentum, with several industry leaders adopting these technologies:

- Many Audit firms have expanded the use of its AI chatbot, among the audit staff, with nearly two third of the staffs now using the tool at least monthly. assists in tasks like data summarization, coding, and research, enhancing audit efficiency.
- Many multinational companies are piloting or using AI for accounting functions, reflecting a significant shift towards AI-driven financial reporting
- Multinational Banks i.e. JPMorgan Chase, Citigroup, and HSBC are deploying machine-learning algorithms to analyze transaction patterns and detect anomalies, strengthening their fraud detection capabilities.

Statistical Insights

The adoption of AI in accounting is not only widespread but also impactful:

- More than 70% of accounting firms are investing in AI tools to improve data reconciliation processes.
- The financial services sector could save around $1 trillion by 2025 through AI adoption.
- AI can reduce manual data entry costs by up to 70%, enhancing operational efficiency.
- More than 80% of accounting professionals believe AI will be necessary to keep up with work demands by 2025.

Challenges and Ethical Considerations

Despite its advantages, AI integration in accounting raises several concerns:

- **Data Quality:** AI systems require high-quality, accurate data to function effectively. Poor data can lead to incorrect conclusions.
- **Cost:** Significant upfront costs to implement AI systems, as it need to upgrade the hardware and invest in latest software.
- **Data Security:** Data security and privacy Protecting sensitive financial data from breaches and cyber threats, complying with data protection regulations, and ensuring robust cybersecurity measures.
- **Transparency:** Some AI models operate as "black boxes," making it difficult to understand how decisions are made, which can be problematic in auditing contexts.
- **Ethical Use:** Over-reliance on AI without human oversight can lead to ethical lapses, especially if AI systems are used to justify questionable accounting practices.
- **Skills and knowledge gap:** There is often a gap in the availability of professionals with expertise in both accounting and AI
- **Regulatory compliance:** Using AI in accounting must meet numerous regulations, specifically for the public companies.

Conclusion

The fusion of AI and accounting heralds a new era in financial integrity and fraud detection. By embracing AI technologies, finance professionals can enhance their ability to detect financial shenanigans, ensure compliance, and uphold the highest standards of ethical accounting. As AI continues to evolve, its role in safeguarding the financial ecosystem will become increasingly indispensable.

AI AND COST MANAGEMENT: A SYNERGY FOR SMARTER BUSINESS DECISIONS BRIDGING TRADITIONAL COST OPTIMIZATION WITH NEXT-GENERATION INTELLIGENCE

Abstract

This comprehensive analysis examines the transformative impact of artificial intelligence on corporate cost management practices. By synthesizing findings from leading global research institutions and documenting cutting-edge implementation cases, the article presents a holistic framework for AI-driven cost optimization. Key contributions include: (1) an integrated AI-TCM framework transcending functional silos, (2) accessible implementation pathways for SMEs, (3) ethical guidelines ensuring responsible cost decisions, and (4) industry-specific application strategies. Organizations implementing these approaches report cost savings of 15-25% while establishing cost intelligence as a sustainable competitive advantage. The article serves as an essential resource for finance leaders navigating the intersection of artificial intelligence and cost management.

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Executive Summary

Artificial Intelligence is fundamentally transforming cost management practices across industries, offering unprecedented opportunities for efficiency, accuracy, and strategic decision-making. This article examines the current landscape of AI applications in cost optimization, synthesizing findings from leading global research institutions and industry practitioners. Organizations implementing AI-driven cost management solutions report average savings of 15-25% across various cost categories, with implementation ROI typically realized within 9-14 months (Gartner, 2024).

While significant progress has been made in discrete applications like procurement analytics and invoice processing, this article addresses critical aspects that have received less attention: the integration of AI within comprehensive Total Cost Management frameworks, practical implementation pathways for SMEs, ethical considerations in algorithmic cost decisions, and industry-specific applications. By addressing these dimensions, organizations can move beyond tactical cost-cutting to establish AI-powered "cost intelligence" as a sustainable competitive advantage.

1. Introduction

Cost management represents a fundamental pillar of corporate financial health, with direct implications for competitive positioning and shareholder value creation. Traditional cost accounting and management methodologies—including Activity-Based Costing (ABC), Target Costing, and Kaizen Costing—increasingly struggle to address the multidimensional challenges posed by volatile global markets, intricate multi-tier supply networks, and persistent inflationary pressures. The integration of Artificial Intelligence (AI) into financial management systems has emerged as a transformative paradigm shift in cost optimization strategies.

According to the World Economic Forum's "Future of Jobs Report 2023," 75% of companies plan to adopt AI technologies for business process optimization, with cost management among the primary application areas. Similarly, the International Federation of Accountants (IFAC) reports that 83% of finance leaders identify intelligent automation of cost processes as a top strategic priority for 2024-2025.

This article synthesizes current applications of AI in cost management while addressing dimensions that have received insufficient attention in existing literature and industry practice.

2. Current AI Applications in Cost Management

2.1 Predictive Cost Analytics

Predictive analytics represents the most mature AI application in cost management, with extensive research and implementation case studies. The International Data Corporation (IDC) reports that organizations with mature AI-powered predictive cost analytics achieve 38% higher forecast accuracy compared to traditional methods (IDC, 2023).

Key Research Contributions:

- Zhang et al. (2023) developed a deep learning framework for commodity price forecasting achieving 87% accuracy over 6-month horizons.
- Accenture's "Global Cost Intelligence Study" (2024) documented 47 enterprise implementations of predictive cost analytics, with average procurement savings of 11.3%.
- MIT's Center for Information Systems Research quantified the relationship between predictive analytics maturity and cost performance across 267 organizations, finding that advanced adopters outperformed peers by 14.2% on cost efficiency metrics (MIT CISR, 2023).

2.2 Automated Invoice Processing and Spend Analysis

AI-powered invoice processing represents one of the highest-ROI applications, with the Institute of Finance and Management (IOFM) reporting average processing cost reductions of 80% and error rate reductions of 95% (IOFM, 2024).

Key Research Contributions:

- The Association for Intelligent Information Management found that organizations implementing AI-driven document processing reduced accounts payable headcount by 53% while increasing processing volumes by 210% (AIIM, 2023).
- Stanford's AI Index Report documented the evolution of invoice processing accuracy, noting improvement

from 82% in 2019 to 98.7% in 2024 (Stanford HAI, 2024).

- Deloitte's "State of AI in Finance" survey reported that 78% of organizations have implemented or are implementing AI-powered spend analytics, with average identified savings opportunities of 8.7% of addressable spend (Deloitte, 2024).

2.3 Supply Chain Cost Optimization

Supply chain represents a primary focus area for AI cost applications due to its complexity and significant cost impact. The Association for Supply Chain Management reports that AI-optimized supply chains reduce total logistics costs by 15-28% while simultaneously improving service levels (ASCM, 2024).

Key Research Contributions:

- McKinsey Global Institute analysed 36 AI supply chain implementations, finding that multi-agent reinforcement learning models reduced inventory carrying costs by 18-23% while maintaining or improving service levels (McKinsey, 2023).
- The MIT Center for Transportation & Logistics documented how digital twins coupled with machine learning reduced transportation costs by 21% across complex distribution networks (MIT CTL, 2024).
- The Supply Chain Council's benchmark study quantified the impact of AI-driven demand forecasting on production costs, finding average reductions of 12.7% in changeover-related expenses (SCC, 2023).

2.4 Dynamic Pricing Optimization

AI-powered pricing represents a well-researched domain with significant adoption in retail, hospitality, and transportation. The International Journal of Revenue Management published a meta-analysis of 53 studies, finding average revenue improvements of 7-12% from AI-driven pricing optimization (IJRM, 2023).

Key Research Contributions:

- Harvard Business School researchers quantified the impact of reinforcement learning pricing algorithms across 17 retailers, finding average margin improvements of 8.3% (HBS, 2023).
- KPMG's "Global Pricing Survey" documented that organizations with advanced AI pricing capabilities achieved 2.7x higher EBITDA growth compared to those using traditional methods (KPMG, 2024).
- The Pricing Society's benchmark study found AI pricing adoption reaching 67% among Fortune 1000 companies, with the highest adoption in B2C sectors (Professional Pricing Society, 2023).

3. Addressing Critical Dimensions in AI-Driven Cost Management

While significant research and implementation experience exists in the above areas, several critical dimensions remain underexplored. This article addresses these aspects to provide a more comprehensive perspective on AI-driven cost management.

3.1 Integrated AI-TCM Framework

Current AI implementations predominantly focus on discrete functional areas without integration into holistic Total Cost Management (TCM) frameworks. The Institute of Management Accountants notes that only 14% of organizations have successfully integrated AI across their entire cost management lifecycle (IMA, 2024).

The AI-Enhanced TCM Model

This framework establishes a continuous improvement cycle incorporating three interconnected phases:

Phase 1 - Data Integration and Harmonization:

- AI-powered Extract, Transform, Load (ETL) processes aggregate real-time cost data from disparate sources including ERP systems, IoT sensors, supplier portals, market intelligence feeds, and competitor benchmarking.

- Semantic data normalization techniques standardize heterogeneous data formats and taxonomies.
- Knowledge graphs establish relationships between cost drivers across organizational boundaries.

Phase 2 - Advanced Analytics and Pattern Recognition:

- Supervised machine learning algorithms identify cost anomalies and inefficiencies (e.g., energy consumption outliers, process bottlenecks, procurement inefficiencies).
- Unsupervised learning techniques detect previously unrecognized patterns and correlations between seemingly unrelated cost centers.
- Neural networks generate predictive models forecasting cost trajectories under variable scenarios.

Phase 3 - Prescriptive Intelligence and Automated Execution:

- Prescriptive analytics engines recommend specific interventions prioritized by ROI potential.
- Robotic Process Automation (RPA) executes routine cost-saving measures without human intervention.
- Augmented decision support systems provide executive-level guidance on strategic cost initiatives.

Implementation Case Example: Midwest Manufacturing Inc., a mid-sized industrial equipment manufacturer ($250M revenue), implemented an AI-TCM framework focusing initially on production waste. The system identified previously undetected correlations between specific material suppliers, machine calibration patterns, and scrap rates. By addressing these interrelated factors, the company reduced scrap costs by 23.4% ($3.7M annually) while simultaneously improving product quality metrics.

3.2 AI for SMEs – Accessible and Scalable Solutions

The OECD reports that while 61% of large enterprises have implemented AI for cost management, the adoption rate among SMEs remains below 12% due to resource constraints and implementation complexity (OECD, 2024). The European Union Agency for Cybersecurity (ENISA) identified that 78% of SMEs perceive AI implementation costs as prohibitively high (ENISA, 2023).

Progressive AI Implementation Pathway for SMEs

Tier 1: Foundation - Low-Investment Entry Points

- Cloud-based SaaS solutions requiring minimal configuration:
  - Expense management platforms (Zoho Expense, Expensify, Ramp) utilizing OCR and NLP for automated receipt processing and policy compliance.
  - Accounts payable automation tools (AvidXchange, Bill.com) providing ML-powered invoice matching and fraud detection.
  - Energy management systems (GridPoint, EnergyBot) employing predictive analytics to reduce utility costs.

Tier 2: Intermediate - Moderate Investment

- Industry-specific pre-trained models requiring limited customization:
  - Inventory optimization algorithms calibrated to specific retail/manufacturing verticals.
  - Pre-configured procurement analytics with industry-standard categorization taxonomies.
  - Pretrained large language models (ChatGPT-4, Claude 3) for contract analysis and negotiation support.

Tier 3: Advanced - Consortium and Partnership Models)

- Industry consortium data-sharing arrangements enabling SMEs to collectively generate sufficient training

data volumes.
- Managed service provider partnerships offering "fractional AI experts" across multiple clients.
- Regional economic development programs providing subsidized access to high-performance computing resources.

ROI Metrics from SME Implementations:
- SMEs utilizing AI-powered cost management report average operational cost reductions of 11.7-16.2% compared to 19.8-24.3% for enterprise implementations (Aberdeen Group, 2024).
- Payback periods average 7-9 months for cloud-based solutions versus 12-18 months for on-premises enterprise deployments (Forrester, 2023).
- Labor productivity improvements in finance functions average 32% for SMEs implementing AI tools (Journal of Small Business Management, 2024).

3.3 Ethical AI in Cost Management
The World Economic Forum's "Ethical Dimensions of AI" report highlights that while 87% of organizations consider ethics in customer-facing AI applications, only 23% apply similar rigor to internal operational AI systems including cost management (WEF, 2024). The IEEE Global Initiative on Ethics of Autonomous and Intelligent Systems identified algorithmic bias in resource allocation decisions as a significant ethical risk in corporate AI applications (IEEE, 2023).

The following framework promotes ethical oversight in internal AI systems, especially in cost management. Despite high ethical focus on customer-facing AI, internal tools often lack such rigor. It addresses risks like algorithmic bias in resource allocation to ensure fairness and accountability.

The "Responsible Cost AI" Framework
Transparency Requirements:
- Algorithmic explainability standards requiring all cost-cutting recommendations to include intelligible rationales.
- Decision audit trails documenting all factors considered in automated or AI-augmented decisions.
- Stakeholder notification protocols informing affected parties of AI's role in decisions.

Bias Mitigation Protocols:
- Regular algorithmic bias audits examining outcomes across protected characteristics and geographic regions.
- Diverse training data requirements ensuring representation across demographic and supplier categories.
- Counterfactual testing scenarios evaluating alternative decision pathways.

Human-in-the-Loop Safeguards:
- Mandatory human review thresholds for high-impact cost decisions (e.g., workforce reductions exceeding 5%, strategic supplier terminations).
- Certified Management Accountant (CMA) or equivalent professional sign-off requirements for material cost-cutting recommendations.
- Appeals mechanisms enabling affected stakeholders to contest algorithmically-driven decisions.

Implementation Example: A national retail chain implemented an AI workforce optimization system that initially recommended staff reductions disproportionately affecting stores in predominantly minority communities. After implementing the "Responsible Cost AI" framework, bias audits revealed that the algorithm had inadvertently learned to associate certain store locations with higher potential for shrinkage based on historical data reflecting systemic disparities in loss prevention resource allocation. Rectifying this bias prevented $2.4M in potentially discriminatory layoffs while redirecting cost-cutting efforts toward evidence-based inventory management improvements.

3.4 Industry-Specific AI Cost Applications

The International Federation of Robotics notes that cross-industry AI solutions often fail to address sector-specific cost drivers and compliance requirements (IFR, 2023). The Chartered Institute of Management Accountants found that generic AI cost implementations underperform industry-tailored solutions by 40-60% in realized savings (CIMA, 2024).

Industry-Specific AI Cost Strategies

Industry	AI Cost Application	Implementation Complexity	Savings Potential	Reference Cases
Manufacturing	Predictive maintenance + scrap reduction + energy optimization	High	17-28% lower maintenance costs; 35% reduced downtime	Siemens (2023), Toyota (2024)
Healthcare	Dynamic staff scheduling + supply chain optimization + clinical pathway efficiency	Moderate-High	9-18% labour cost reduction; 22% supply cost savings	Cleveland Clinic (2023), Kaiser Permanente (2024)
Retail	Markdown optimization + working capital management + store operations efficiency	Moderate	27-38% less dead stock; 12% lower carrying costs	Target (2023), Walmart (2024)
Financial Services	Algorithmic risk management + process automation + branch network optimization	Moderate	14-22% operational expense reduction; 30% improved efficiency ratio	JP Morgan Chase (2024), Bank of America (2023)
Logistics	Route optimization + fleet management + warehouse automation	High	18-23% fuel savings; 31% labour productivity improvement	FedEx (2024), Maersk (2023)

4. Advanced AI Tools for Cost Optimization

Advanced AI tools are transforming cost optimization by enabling smarter, data-driven decisions. These technologies analyze patterns, forecast expenses, and automate processes for greater efficiency. Their strategic use helps organizations reduce costs while maintaining performance and quality.

4.1 Enterprise-Grade Solutions

Integrated Business Planning Platforms:

- SAP Integrated Business Planning with machine learning capabilities for dynamic supply chain cost optimization

- Oracle Cloud EPM leveraging predictive analytics for financial forecasting and scenario modeling
- Anaplan Connected Planning incorporating AI-driven rolling forecasts and driver-based budgeting

AI-Enhanced ERP Extensions:
- Microsoft Dynamics 365 Finance with Copilot for automated financial insights and anomaly detection
- Workday Adaptive Planning utilizing machine learning for continuous forecasting and variance analysis
- NetSuite SuiteAnalytics Workbook with AI-powered predictive modeling capabilities

Specialized Cost Intelligence Platforms:
- Coupa's Spend Management Suite incorporating community intelligence across 2,000+ organizations
- Suplari (acquired by Microsoft) employing proprietary AI algorithms for spend analytics
- Sievo leveraging machine learning for advanced procurement analytics and savings lifecycle management

4.2 Mid-Market Solutions

Mid-market solutions offer scalable and cost-effective AI tools tailored for growing businesses. They bridge the gap between enterprise-grade systems and small business needs. These solutions enable mid-sized companies to optimize costs and stay competitive.

Industry-Specific Cost Management Tools:
- Plex Manufacturing Cloud with AI-driven production cost optimization
- Brightpearl's retail-focused inventory optimization algorithms
- CostCertified's construction-specific cost estimation and management platform

Hybrid AI-Human Expert Systems:
- AppZen combining AI auditing with human expert review for T&E management
- Negotiatus employing AI negotiation assistance for procurement professionals
- Vikento AI offering algorithm-assisted zero-based budgeting implementations

4.3 Emerging Technologies

Emerging technologies like generative AI, edge computing, and advanced analytics are reshaping cost management strategies. They offer real-time insights, automation, and smarter decision-making capabilities. These innovations drive efficiency and unlock new opportunities for cost savings.

Quantum-Inspired Optimization Algorithms:
- D-Wave's quantum annealing solutions for complex logistics optimization problems
- Microsoft Azure Quantum for large-scale combinatorial optimization

Federated Learning for Sensitive Cost Data:
- IBM's federated learning platform enabling cross-organizational benchmarking without data sharing
- PySyft's open-source framework for privacy-preserving machine learning in financial applications

Autonomous Finance Operations:
- Autonomous Treasury Management Systems automating cash positioning and working capital optimization

- Self-optimizing accounts receivable workflows dynamically adjusting collection strategies

5. Implementation Challenges and Mitigation Strategies

5.1 Data Quality and Accessibility Challenges

Challenge: The International Data Management Association reports that 72% of organizations identify data quality as the primary barrier to AI adoption in finance functions (IDMA, 2024). The Global Data Barometer found that only 31% of organizations have achieved the data maturity necessary for advanced analytics implementation (GDB, 2023).

Mitigation Strategies:

- Implement data quality scoring mechanisms to prioritize remediation efforts
- Deploy ML-based data cleansing tools to automate validation and enrichment
- Establish data governance councils with cross-functional representation
- Develop proprietary data integration layers between legacy systems

5.2 Organizational Resistance

Challenge: The Society for Human Resource Management reports that 68% of finance professionals express concerns about AI replacing aspects of their role (SHRM, 2024). Deloitte's "State of AI Adoption" survey found that middle management resistance represents the second-highest barrier to successful AI implementation, cited by 62% of respondents (Deloitte, 2023).

Mitigation Strategies:

- Develop change management frameworks specifically addressing algorithmic authority concerns
- Implement augmentation-focused (rather than automation-focused) deployment narratives
- Create certification programs validating human expertise in AI-human collaboration
- Establish clear boundaries between algorithmic recommendations and human judgment domains

5.3 Technical Debt and Integration Complexity

Challenge: The International Software Testing Qualifications Board found that organizations with significant technical debt experience 2.5x longer AI implementation timelines and 3.2x higher failure rates (ISTQB, 2023). Gartner reports that 73% of finance AI initiatives exceed budgets due to unforeseen integration challenges (Gartner, 2024).

Mitigation Strategies:

- Conduct architectural fitness assessments before AI implementation
- Prioritize API-first solutions with robust integration capabilities
- Implement progressive refinement approaches starting with contained use cases
- Develop comprehensive integration roadmaps aligned with technical debt reduction initiatives

5.4 Algorithm Drift and Performance Degradation

Challenge: The AI Governance Forum documents that 58% of production AI models experience significant performance degradation within 24 months of deployment (AGF, 2023). ISO/IEC JTC 1/SC 42 (Artificial Intelligence) identified model drift as a critical governance risk in financial applications of AI (ISO, 2024).

Mitigation Strategies:

- Establish algorithmic performance monitoring frameworks with predefined thresholds
- Implement continuous learning systems with automated retraining capabilities
- Develop validation datasets reflecting anticipated future conditions
- Create model governance structures with defined refresh cycles

6. The Future: AI and Strategic Cost Leadership

6.1 AI in Capital Budgeting and Strategic Investment

- Machine learning models evaluating thousands of potential M&A synergy scenarios using historical transaction databases and proprietary performance metrics
- Quantum computing algorithms optimizing complex portfolio allocation decisions across hundreds of potential capital investments
- Natural language processing systems analyzing unstructured data (earnings calls, regulatory filings, social media) to identify emerging cost risks and opportunities

6.2 Generative AI for Scenario Planning and Decision Support

- Large Language Model applications generating comprehensive "what-if" analyses for complex cost scenarios (regulatory changes, supply chain disruptions, competitive maneuvers)
- Agent-based simulation models predicting second and third-order effects of cost interventions across organizational boundaries
- Synthetic data generation enabling robust planning for unprecedented events with limited historical precedent

6.3 Cognitive Automation of Strategic Cost Management

- Self-optimizing cost structures autonomously reallocating resources based on real-time performance data
- Automated negotiation systems conducting supplier interactions using game theory principles and behavioral economics
- Algorithmic identification of complex cost interdependencies invisible to traditional analysis

7. Conclusion & Key Takeaways

The integration of AI into cost management represents not merely an incremental improvement but a fundamental paradigm shifts in how organizations conceptualize, analyze, and optimize their cost structures. Key conclusions include:

1. **AI + TCM = Perpetual Cost Intelligence** – Organizations must transition from periodic cost reduction initiatives to AI-enabled continuous optimization frameworks that dynamically respond to changing conditions.
2. **Democratized AI Access** – Cloud-based solutions, pre-trained models, and consortium approaches now make sophisticated cost intelligence accessible to organizations of all sizes.
3. **Ethical Imperatives** – Responsible AI implementation requires explicit attention to transparency, bias mitigation, and human oversight to ensure equitable outcomes.
4. **Industry-Specific Customization** – Generic AI cost solutions yield suboptimal results; significant value creation requires tailoring approaches to sector-specific value chains and cost drivers.
5. **Implementation Excellence** – Technical sophistication alone proves insufficient; successful AI cost transformations require equal attention to change management, process redesign, and organizational alignment.

The future of cost management lies not in episodic cost-cutting but in AI-powered continuous intelligence that transforms cost structures from constraints into strategic advantages. Organizations that successfully navigate this transformation will establish sustainable competitive differentiation in increasingly margin-pressured industries.

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TRAINING AI TO SMELL A RAT: DETECTING FINANCIAL SHENANIGANS WITH ARTIFICIAL INTELLIGENCE & MACHINE LEARNING

Abstract

This article explores how AI and machine learning are transforming the detection of financial shenanigans, corporate misconducts, including fraud, money laundering, and insider trading. It discusses key AI and machine learning techniques like supervised, unsupervised, and deep learning, alongside real-world case studies and regulatory frameworks. It also addresses ethical concerns and future innovations in forensic accounting, highlighting how AI can proactively detect financial shenanigans while ensuring compliance and accountability in the financial industry.

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Introduction

Corporate misconducts like fraud, money laundering, and insider trading poses serious risks to trust and financial stability. Traditional methods often fall short in detecting such complex white-collar crimes. Artificial Intelligence (AI) and Machine Learning (ML) are now revolutionizing financial forensics by identifying hidden patterns and anomalies in large datasets with speed and precision.

However, their use also brings ethical, regulatory, and accountability challenges. The discussion spans AI-driven detection methods, machine learning techniques, compliance frameworks, case studies, and future directions—highlighting both the potential and the responsibilities of AI in combating financial shenanigans.

Understanding Corporate Misconduct in the Financial World

Corporate misconduct refers to deliberate violations of financial and ethical standards by individuals or companies for unlawful gains like:

- **Accounting fraud**: Falsifying balance sheets, over/understating revenues or expenses.
- **Insider trading**: Using non-public information to gain unfair market advantage.
- **Bribery and corruption**: Paying or receiving kickbacks to influence business decisions.

- **Money laundering**: Disguising the origins of illicit funds through complex financial transactions.

In most traditional audit environments, such misconduct is detected through internal controls, whistleblowers, or routine compliance reviews. However, these manual or semi-automated processes are reactive, prone to human error, and incapable of handling today's data volumes and velocity.

How AI is Disrupting Financial Fraud Detection

AI systems bring speed, scalability, and precision to forensic accounting. When trained on high-quality historical data, AI can:

- **Detect** anomalies in ledgers, journal entries, or financial statements.
- **Analyze** unstructured data from emails, PDFs, or communications for red flags.
- **Predict** misconduct by identifying behavior patterns that resemble past fraud cases.
- **Flag** suspicious activities in real time, allowing for proactive intervention.

This shift toward AI-assisted monitoring means companies are no longer waiting for a whistleblower to raise the alarm—they're letting the machines sniff out trouble before it escalates.

Machine Learning Techniques Used in Financial Fraud Detection

Let's break down the most effective ML techniques powering AI-based fraud detection:

1. Supervised Learning

Supervised algorithms like decision trees, logistic regression, and random forests are trained on labeled datasets (fraudulent vs. non-fraudulent transactions). These models learn the features that differentiate fraud and apply them to new data.

- **Use case**: Classifying journal entries as suspicious or legitimate.
- **Advantage**: High accuracy when historical data is rich and reliable.

2. Unsupervised Learning

These algorithms (e.g., clustering, anomaly detection, principal component analysis) work without labeled data. They identify outliers or patterns that deviate from the norm.

- **Use case**: Spotting unusual vendor payments or round-dollar transactions.
- **Advantage**: Useful when labeled data is scarce.

3. Deep Learning

Neural networks and recurrent neural networks (RNNs) are employed to process complex, high-dimensional data. They are especially effective with text (emails, contracts) or time-series data (financial transactions over time).

- **Use case**: Analyzing email content for insider threats.
- **Advantage**: Excellent for unstructured and dynamic data.

4. Natural Language Processing (NLP)

NLP helps parse and understand human language. It can detect linguistic signals of fraud—like urgency, persuasion, or concealment—in corporate emails or reports.

- **Use case**: Flagging suspicious communication before a financial restatement.
- **Advantage**: Captures human intent, not just data behavior.

5. Reinforcement Learning

Still emerging in finance, this method learns optimal actions through feedback loops. It can adapt to changing fraudulent tactics and self-improve over time.

- **Use case**: Adaptive risk scoring for transactions.
- **Advantage**: Dynamic and continuously learning.

Regulatory and Compliance Frameworks

Regulatory bodies are now adapting to AI's role in financial compliance.

Key Frameworks:

1. **General Data Protection Regulation (GDPR)** – Governs how AI systems use personal data. Also requires transparency and explainability in automated decision-making.
2. **Sarbanes-Oxley Act (SOX)** – AI can support SOX compliance by automating controls testing and identifying inconsistencies in financial reporting.
3. **Bank Secrecy Act (BSA) & AML Regulations** – AI models are increasingly used to comply with Anti-Money Laundering (AML) standards by spotting suspicious activity reports (SARs).
4. **FATF (Financial Action Task Force)** – Encourages innovation in monitoring while insisting on responsible use of AI in line with risk-based approaches.

While AI can supercharge compliance efforts, it must also be auditable. Regulatory agencies like the SEC and European Banking Authority are now pushing for **explainable AI** — especially in high-risk sectors like finance.

Regulatory and Compliance Response in India:

India's accounting and financial compliance world is definitely stepping up to meet the evolving AI and regulatory landscape.

- **Digital Personal Data Protection Act (DPDPA), 2023**: India's answer to GDPR. It emphasizes data privacy, consent, and accountability for digital systems—including AI driven automated decision-making.
- **MeitY's Draft AI Ethics Frameworks**: The Ministry of Electronics & Information Technology (MeitY) has proposed guidelines for *responsible AI*—focusing on transparency, fairness, and accountability.
- **RBI (Reserve Bank of India)**, while encouraging AI adoption in fraud detection, KYC automation, and risk modeling, also expects **model governance, validation**, and **audit trails**. Banks are expected to follow **Fair Practices Code** and ensure that AI decisions (like loan rejections) are explainable.
- **SEBI (Securities and Exchange Board of India)** has issued guidelines encouraging RegTech and SupTech (supervisory tech), while focusing on AI in **Insider trading detection, Market surveillance and Robo-advisory governance**.

ICMAI Role & Focus in Engaging with AI Driven Excellence

ICMAI is the statutory body regulating the **Cost and Management accounting** profession in India. Their focus is on **cost control, performance management, and internal controls—critical pillars for corporate compliance**.

- **Core Focus**: Ensures cost control, performance management, and internal controls for corporate compliance.
- **AI in Costing**: Promotes AI/data analytics in cost audits, trend forecasting, and real-time variance detection.
- **Risk & Governance**: Supports AI-driven risk assessment, budget vs. actual analysis, and cost center monitoring.
- **Skill Development**: Offers training in AI, Blockchain, and FinTech to upskill CMAs for emerging roles.

- **Thought Leadership**: Publishes research and insights promoting ethical, auditable AI adoption in cost accounting.

CMAs at the Forefront of AI-Enabled Corporate Excellence

- **Real-Time Vigilance** – Use AI/ML to detect anomalies in costs, revenues, and financial patterns.
- **Data-Backed Decisions** – Leverage predictive analytics for smarter cost and risk management.
- **Forensic Focus** – Shift from traditional audits to AI-driven forensic accounting.
- **Ethics & Compliance** – Uphold transparency and align with evolving regulatory standards.
- **Tech-Savvy Attitude** – Embrace AI/ML tools and upskill continuously.
- **Strategic Leadership** – Drive ethical, data-led corporate excellence from the boardroom

Ethical Concerns around AI in Forensic Accounting

Ethical dilemmas abound in using AI to detect misconduct:

- **Bias** in training data can lead to unfair targeting, especially of small or minority-led entities.
- **Privacy** risks emerge from excessive employee monitoring.
- **Lack of transparency** in black-box models challenges explainability.
- **Accountability gaps** arise when AI errors occur—raising questions about who is responsible.
- **Ethical AI** requires **governance frameworks, human-in-the-loop models, and bias testing** during model training. Companies must embed ethics into both **tech design and corporate culture**.

Tackling Financial Shenanigans: AI in Action

Financial shenanigans—those clever tricks and tweaks used to manipulate numbers—often live in gray areas. They're not always outright fraud, but they certainly mislead investors. Let us check how AI helps tackle them:

- **Aggressive revenue recognition**: AI is able to cross-check revenue with delivery logs or cash receipts to test timing consistency.
- **Cookie jar reserves**: ML models trained on historical restatements can detect unusual dips in liabilities or reserves, often used to smooth earnings. This can stop deceptive accounting practices.
- **Capitalizing costs improperly**: AI can flag inconsistent treatment of expenditures that should be expensed rather than capitalized.

By creating **integrated anomaly profiles**, AI doesn't just look at single transactions—it connects dots across departments, timelines, and data sources to uncover manipulative intent.

Case Studies on Financial Shenanigans & AI/ML Prevention Potential

Case	Shenanigan Type	Brief	AI/ML Prevention Potential
Enron (USA, 2001)	Off-balance-sheet liabilities	Used SPEs to hide debt and inflate profits.	**Anomaly detection** on financial ratios & **network analysis** to uncover hidden related entities.
WorldCom (USA, 2002)	Expense capitalization	Capitalized operating expenses to boost profits.	**Pattern recognition** in accounting entries to flag unusual capitalization practices.
Lehman Brothers (USA, 2008)	Repo 105 transactions	Used temporary transactions to reduce leverage.	**Time-series analysis** on balance sheet components to detect recurring short-term anomalies.
Wirecard (Germany, 2020)	Fictitious revenue	Fabricated €1.9B in cash balances.	**Bank confirmation AI cross-verification** & **outlier detection** in cash flows vs. operations.

Case	Shenanigan Type	Brief	AI/ML Prevention Potential
Satyam (2009)	Falsified revenues & cash	Manipulated accounts by inflating revenues and cash.	**Cross-ledger reconciliation AI** & **cash flow vs. revenue discrepancy detection**.
IL&FS (2018)	Hidden liabilities	Defaulted despite AAA rating, due to undisclosed debts.	**Credit risk ML models** with alternate data sources (payment delays, supplier stress).
DHFL (2020)	Round-tripping, fake borrowers	Routed funds through shell firms and fake loan accounts.	**Customer profiling ML** & **graph analytics** to detect borrower network anomalies.
Yes Bank (2020)	Evergreening loans	Gave new loans to defaulting borrowers to hide NPAs.	**Loan book stress testing** with **ML-based repayment behavior prediction**.

The Future of AI in Financial Forensics

So, where is this all heading? What to expect in future? Let us see how Artificial Intelligence and Machine Learning can help in forensics.

- **AI and Blockchain Integration:** Smart contracts on blockchain could automatically flag suspicious financial behavior when certain thresholds are crossed—eliminating human delay and discretion.
- **Self-Auditing Ledgers:** Using AI, systems will soon self-audit in real-time, producing alerts and corrective suggestions instantly, much before year-end audits.
- **Cognitive AI Assistants:** Companies can use AI Assistants who are trained solely on a company's financial data. Auditors will consult AI assistants that offer intelligent insights and justifications backed by evidence.
- **Global Fraud Detection Networks:** Financial institutions may collaborate by sharing anonymous fraud patterns, allowing AI systems to recognize new fraud schemes across companies and countries.
- **Real-Time Risk Heat Maps:** Boards and auditors will use dashboards powered by AI showing dynamic risk profiles, red flags, and the health of internal controls—updated by the minute.

Conclusion

As AI matures, it's poised to play a central role in safeguarding financial integrity. By combining **AI & ML techniques with domain expertise**, companies can move from **reactive to proactive fraud detection**. However, **deploying AI responsibly** requires a **balance between innovation and regulation, automation and human oversight**. Training AI to "**smell a rat**" isn't just about technology—it's about building trust, transparency, and resilience into the financial systems of the future.

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AI IN ACCOUNTING: UNMASKING MODERN FINANCIAL SHENANIGANS

Abstract

Financial Shenanigans pose a persistent threat to the integrity of businesses and capital markets. Artificial Intelligence (AI) is revolutionizing the detection and prevention of such deceptive practices. This article explores the evolving landscape of financial shenanigans, the limitations of traditional auditing, and how AI is transforming accounting by enhancing fraud detection, supporting ethical financial reporting, and shaping the future of the profession.

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Introduction

Financial shenanigans have long haunted the world of accounting. From the infamous Enron scandal in the United States to the Satyam fiasco in India, history is replete with examples where creative accounting crossed the line into outright fraud, costing investors billions and shaking public trust in financial reporting. As businesses grow more complex and data volumes explode, traditional audit methods struggle to keep pace. Enter Artificial Intelligence (AI)—a game-changer in the fight against financial deception.

This article delves into the nature of financial shenanigans, the challenges faced by traditional auditing, and the transformative role of AI in modern accounting. It also examines real-world applications, ethical considerations, and the future of the profession in an AI-driven world.

Understanding Financial Shenanigans

Financial shenanigans refer to the use of accounting tricks and manipulations to mislead stakeholders about a company's true financial performance or position. These practices can range from subtle adjustments to outright fabrication, and they are often designed to:

- Inflate earnings or assets
- Hide liabilities or losses
- Manipulate cash flows
- Meet analyst expectations or loan covenants
- Boost executive bonuses tied to financial metrics

Some of the most common types of financial shenanigans include:

These practices can be subtle and sophisticated, making them difficult to detect with conventional audits. The consequences, however, can be devastating—leading to financial losses, regulatory penalties, reputational damage, and even the collapse of companies.

The Limitations of Traditional Auditing

Traditional auditing relies heavily on sampling, manual checks, and rule-based systems. While these methods have served the profession for decades, they face significant limitations in today's fast-paced, data-driven business environment:

These challenges underscore the need for smarter, more adaptive tools—precisely where AI excels.

How AI is Transforming Accounting

AI brings a suite of powerful tools to the accounting profession, including machine learning (ML), natural language processing (NLP), robotic process automation (RPA), and advanced analytics. Here's how AI is making a difference:

1. Pattern Recognition and Anomaly Detection

AI algorithms can analyze millions of transactions in seconds, identifying patterns and flagging anomalies that deviate from the norm. For example:

- Unusual transaction sizes or frequencies
- Round-dollar transactions at month-end
- Duplicate payments or invoices
- Sudden changes in vendor or customer behavior

By learning what "normal" looks like, AI can quickly spot the "abnormal"—often the first sign of shenanigans.

2. Continuous Monitoring

Unlike traditional audits, which are periodic, AI systems can monitor transactions in real time. This means suspicious activities can be flagged and investigated immediately, reducing the window for fraud to go undetected.

3. Natural Language Processing (NLP)

AI can read and interpret unstructured data—emails, contracts, meeting notes—to uncover hidden risks. For instance, NLP can flag emails discussing "creative accounting" or contracts with unusual terms.

4. Predictive Analytics

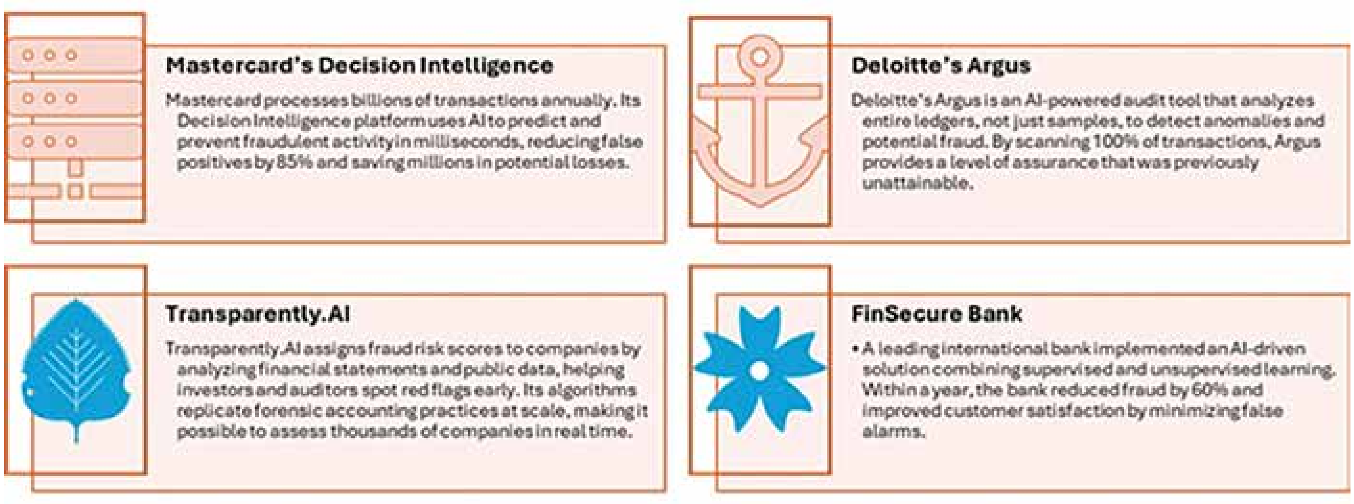
By analyzing historical data, AI can predict where fraud is most likely to occur, allowing auditors to focus their efforts on high-risk areas.

5. Robotic Process Automation (RPA)

RPA can automate routine tasks such as data entry, reconciliation, and report generation, freeing up human auditors to focus on more complex analysis and judgment.

Real-World Examples

The adoption of AI in accounting is no longer theoretical. Leading firms and organizations are already leveraging AI to enhance their fraud detection capabilities:



Benefits of AI in Detecting Financial Shenanigans

The advantages of AI in accounting are substantial:

1. Speed and Scale

AI can process vast amounts of data far faster than humans, enabling the analysis of entire datasets rather than just samples.

2. Accuracy

Machine learning models improve over time, reducing both false positives (flagging legitimate transactions as suspicious) and false negatives (missing actual fraud).

3. Cost-Effectiveness

Automating routine checks and analyses frees up human auditors for more complex, value-added tasks, ultimately reducing the cost of audits.

4. Proactive Detection

Real-time monitoring and predictive analytics allow organizations to catch issues before they escalate, rather than after the fact.

5. Enhanced Assurance

By analyzing 100% of transactions and documents, AI provides a higher level of assurance to stakeholders, regulators, and the public.

Challenges and Ethical Considerations

While AI offers tremendous promise, it is not without challenges:

The Future: AI and Accountants Working Together

The future of accounting is not man versus machine, but man **with** machine. AI will handle the heavy lifting—scanning data, flagging risks, and suggesting areas for review—while human accountants provide context, judgment, and ethical oversight.

Emerging Trends

1. Integration with Blockchain

Blockchain technology offers immutable ledgers, making it harder to alter records. AI can monitor blockchain transactions for anomalies, further enhancing fraud detection.

2. Collaborative Platforms

AI tools are increasingly being integrated with accounting software, providing real-time insights to both auditors and management.

3. Regulatory Technology (RegTech)

AI-driven compliance tools help firms stay ahead of evolving regulations, automating the monitoring and reporting of compliance risks.

4. Continuous Auditing

AI enables continuous auditing, where transactions are monitored and analyzed in real time, providing ongoing assurance rather than periodic snapshots.

5. Ethical AI

As AI becomes more prevalent, there is a growing focus on developing ethical AI systems that are transparent, fair, and accountable.

Conclusion

Financial shenanigans are as old as accounting itself, but the tools to fight them are entering a new era. AI is not a silver bullet, but it is a powerful ally in the quest for transparency, accuracy, and trust. By embracing AI, accountants can not only catch crooks with code but also elevate the profession to new heights of integrity and effectiveness.

The journey is just beginning. As AI continues to evolve, so too will the tactics of those who seek to manipulate financial statements. The challenge for the accounting profession is to stay one step ahead—leveraging technology, upholding ethical standards, and never losing sight of the fundamental principles of honesty and accountability.

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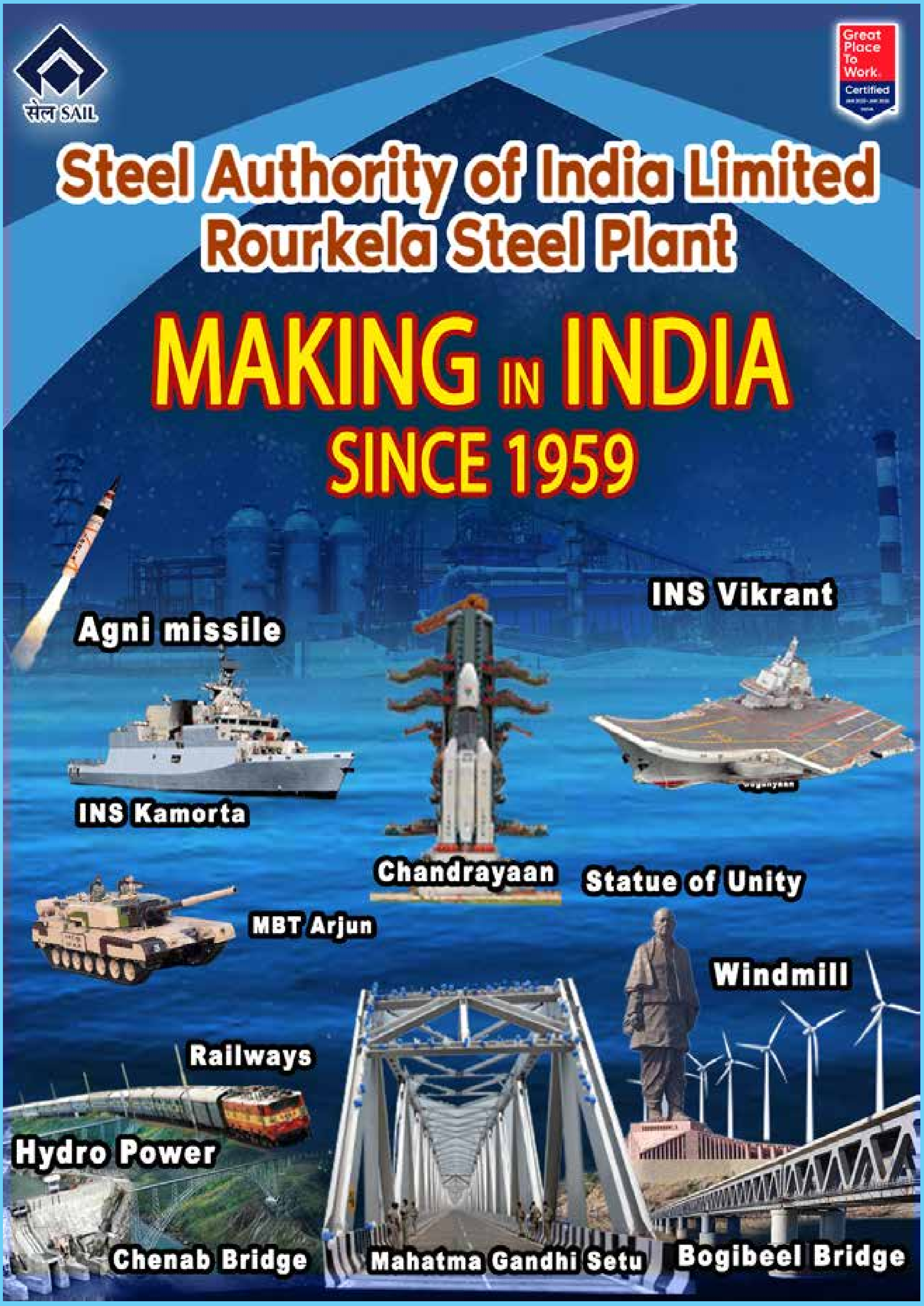

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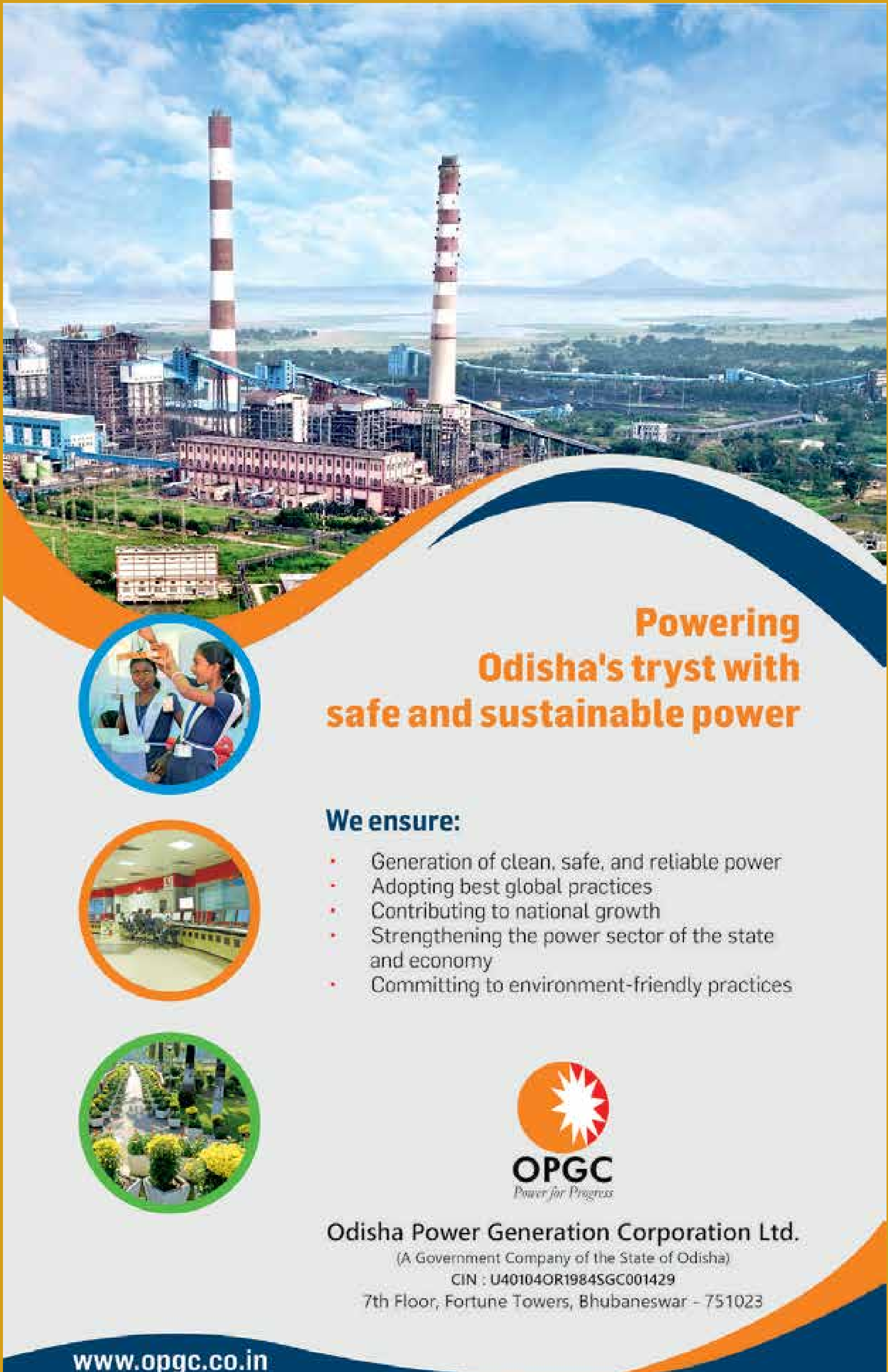
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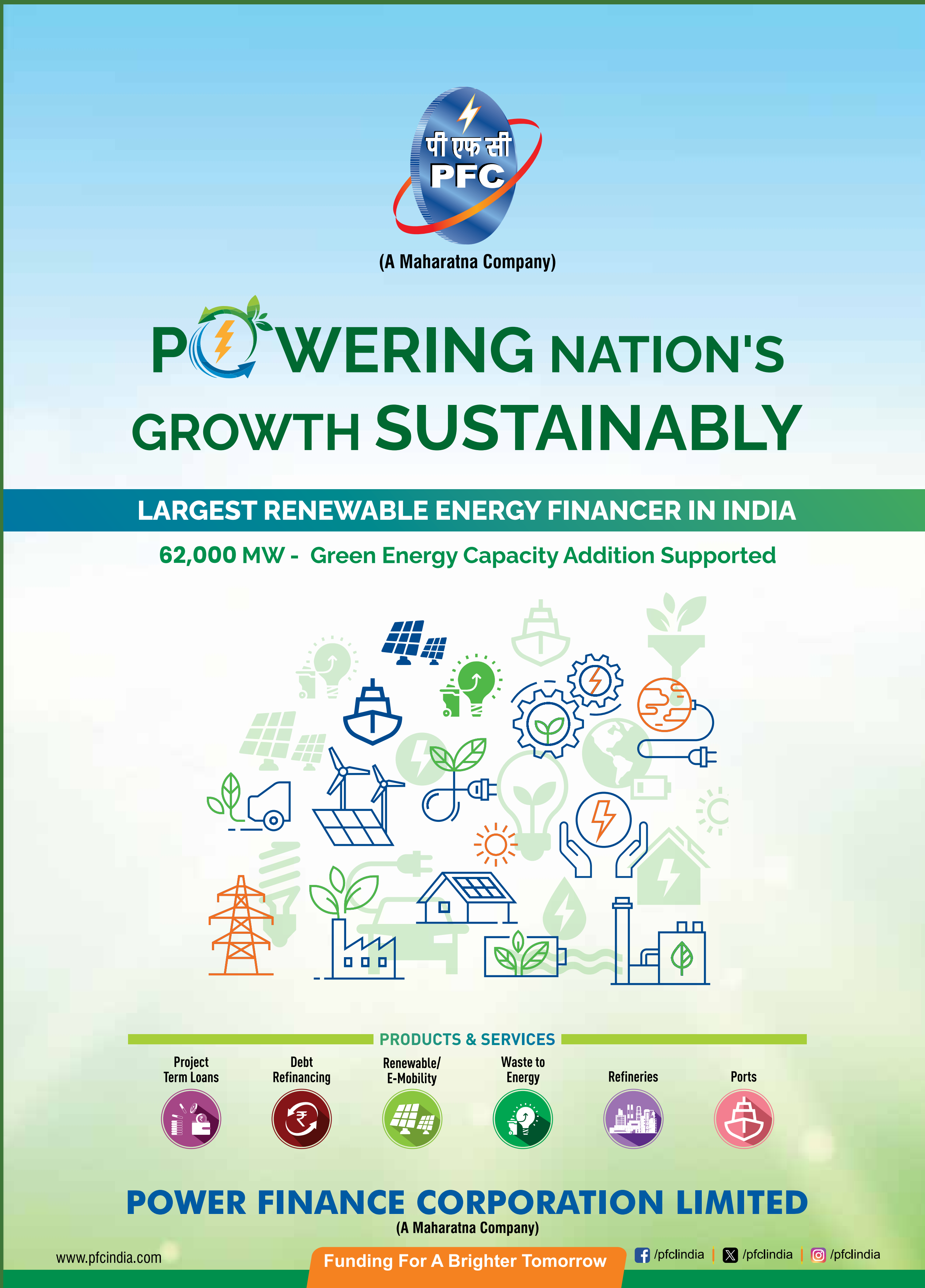

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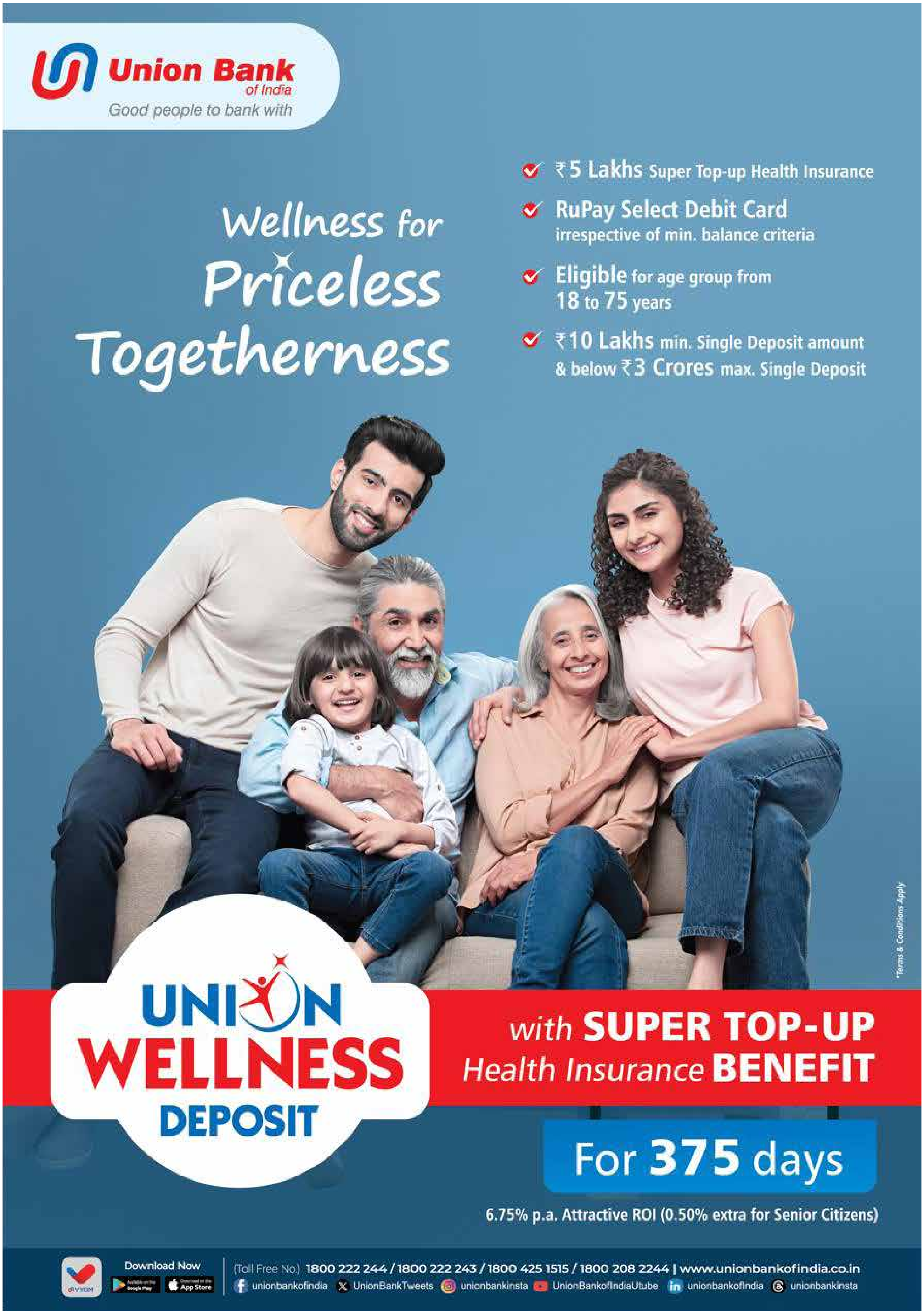

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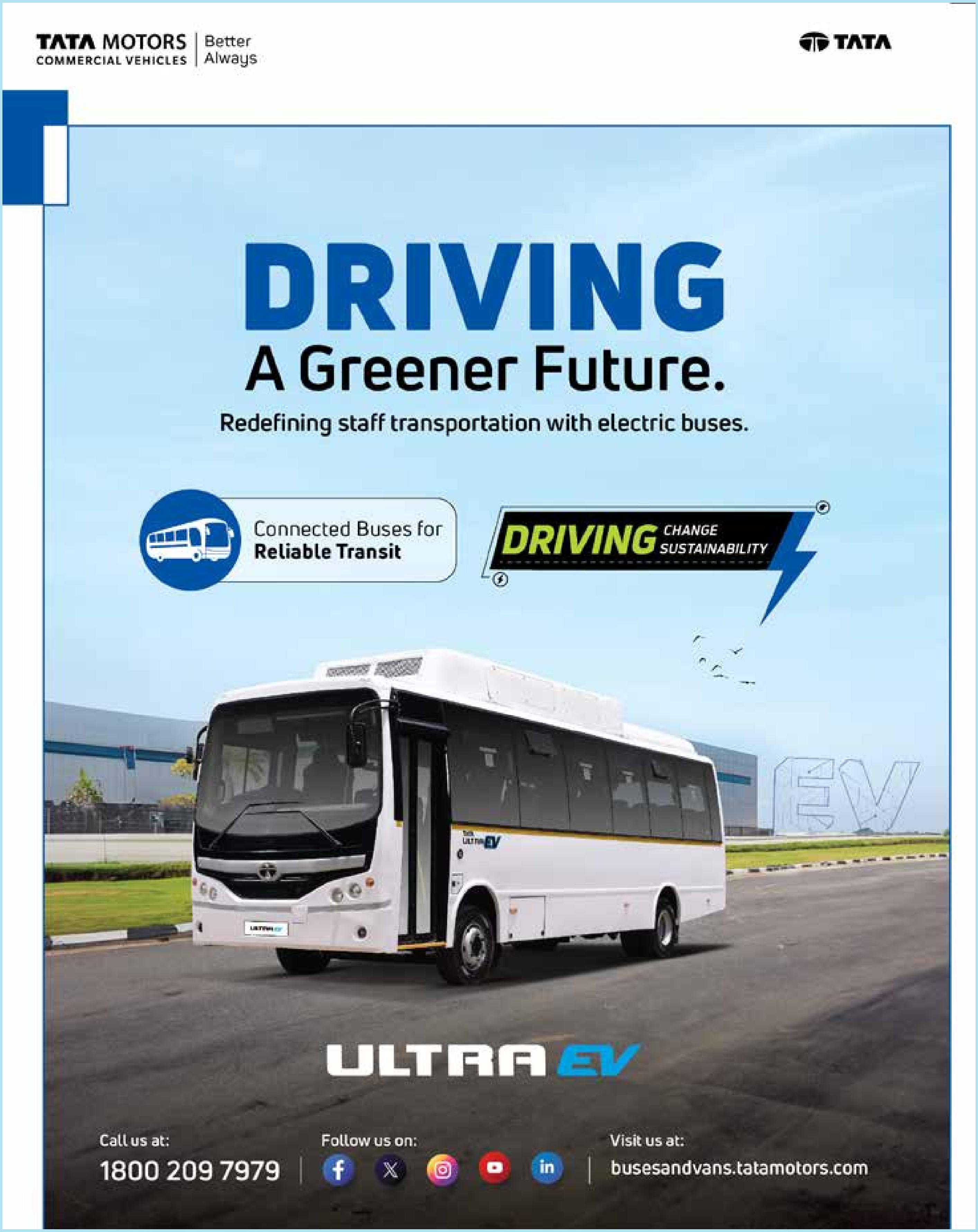
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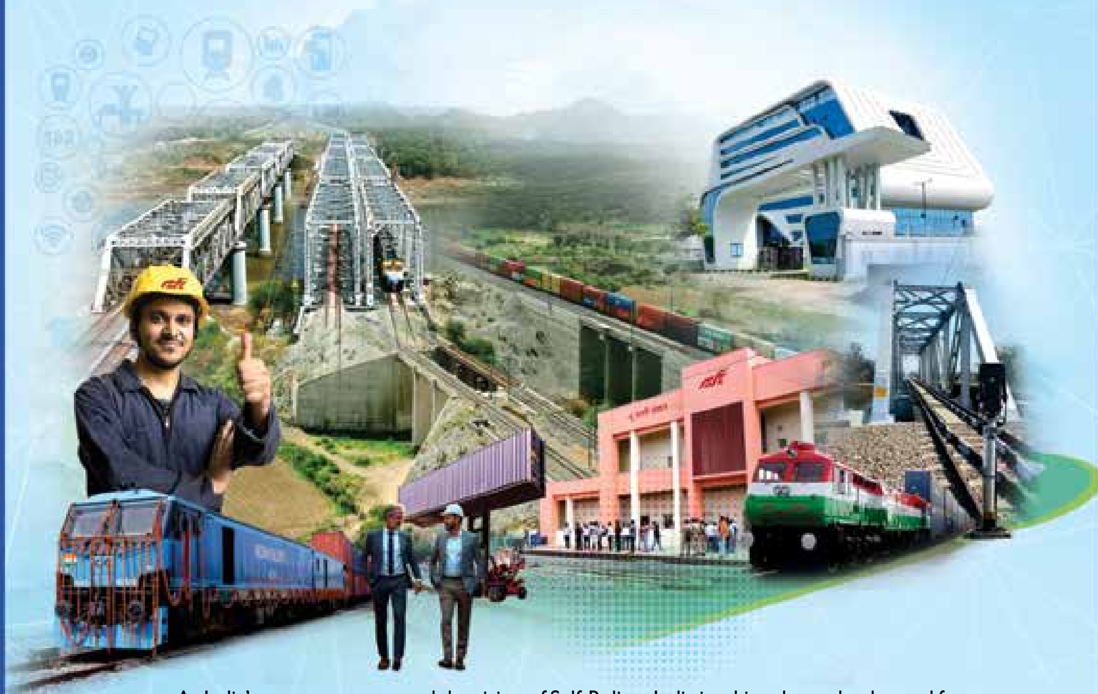

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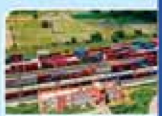

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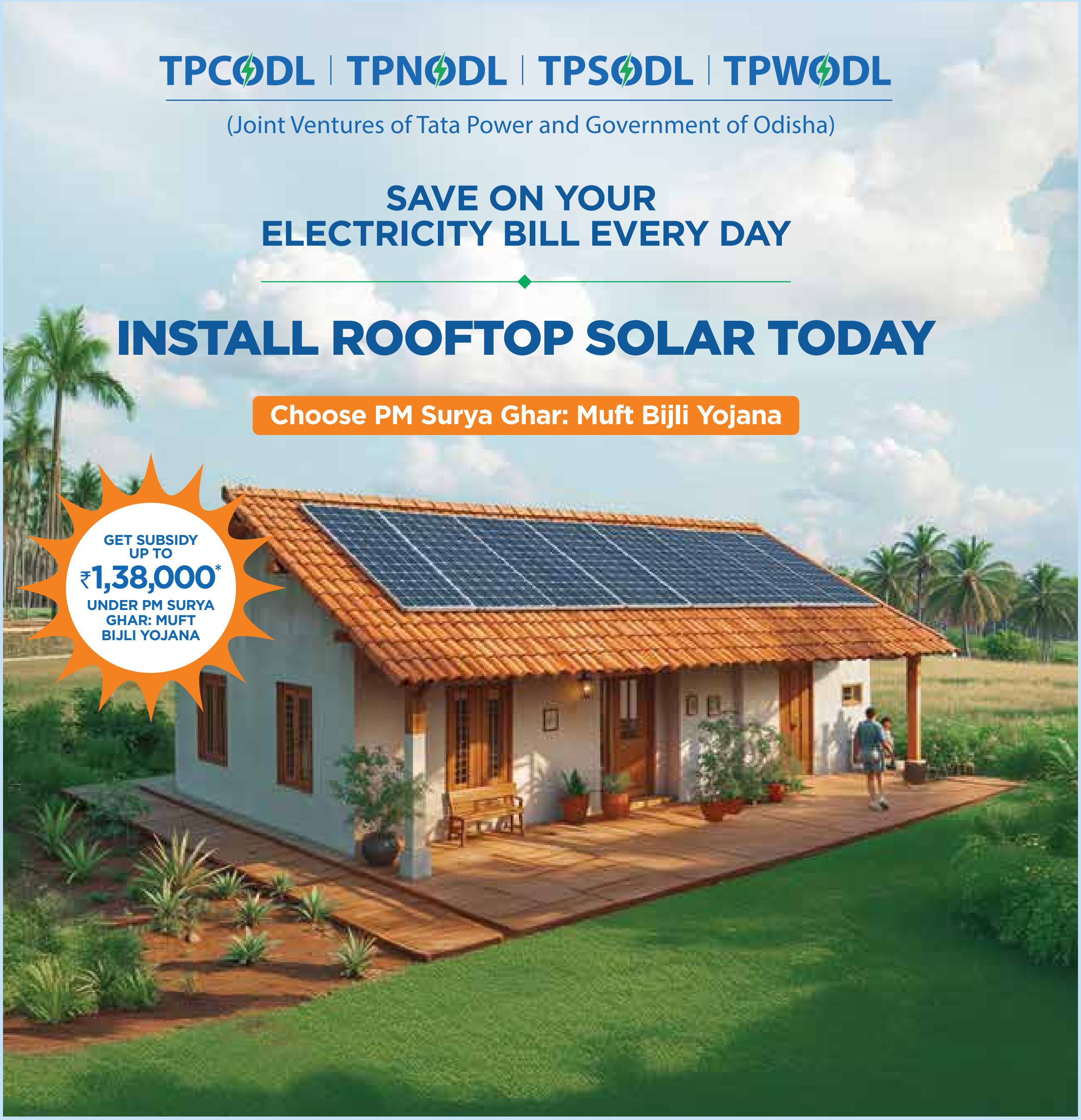

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PAN INDIA Workshops on IBC
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ONLINE

Master Classes for various domain under IBC (3 days)
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With professional members from diverse backgrounds — CMAs, CAs, CSs, Bankers, Lawyers, and Management Experts — IPA of ICMAI is one of the most proactive and rigorous IPAs in India, with a record number of member inspections and programs aimed at enhancing standards and aligning practice with regulatory expectations.

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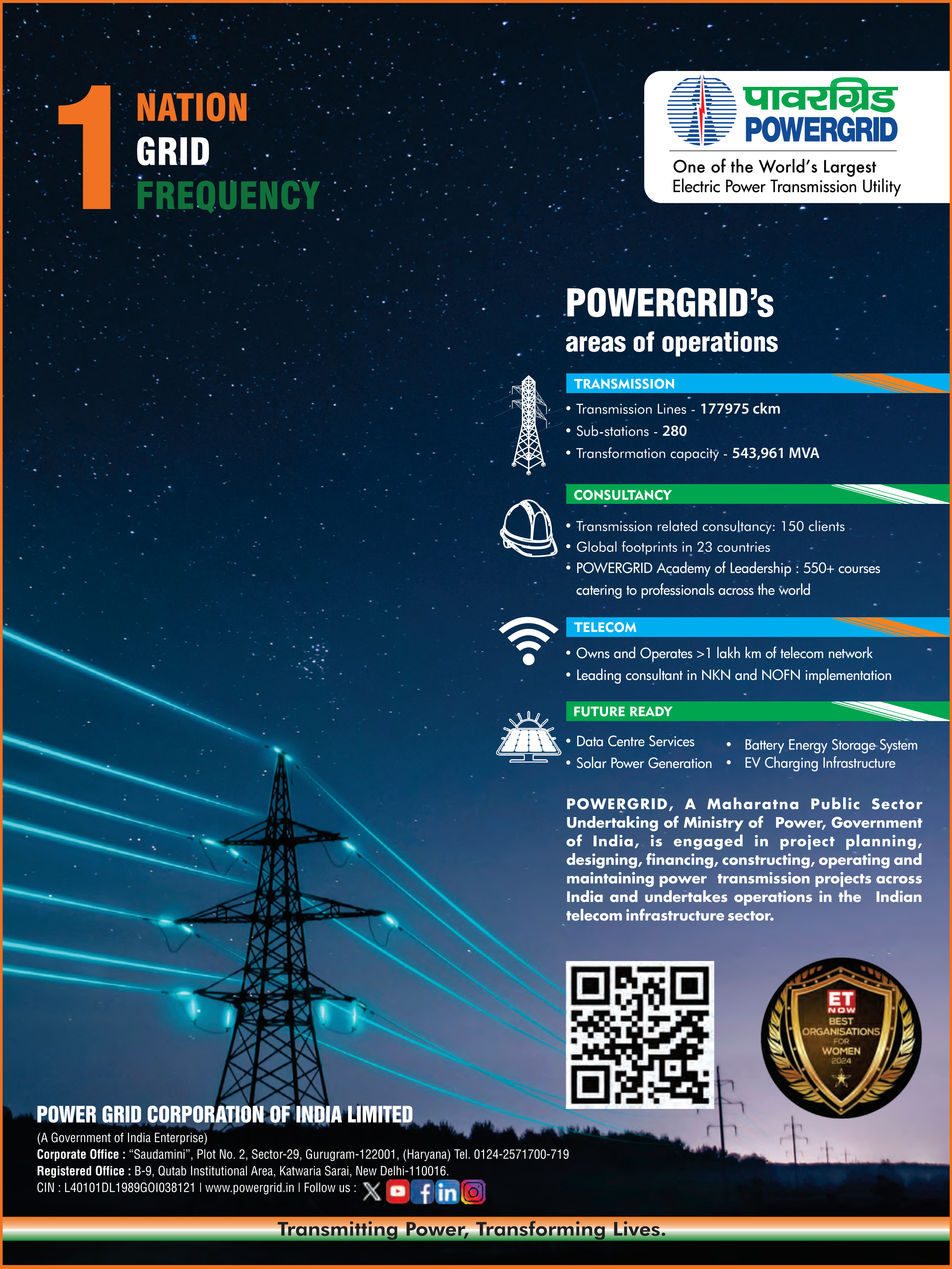
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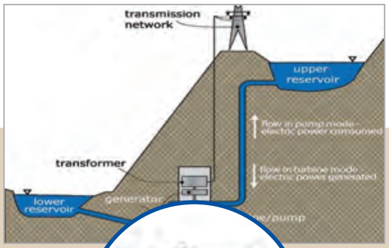

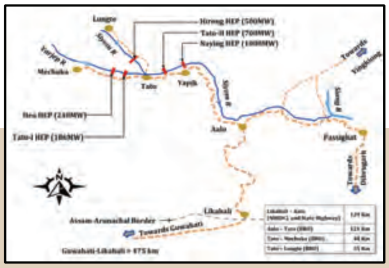

SOLAR FOOT PRINT

300 MW Solar at Bikaner, Rajasthan is under construction.
700 MW ground mounted and **35 MW** FSP are in pipe line.

PUMP STORAGE PROJECT (PSP)

800 MW Wah Umiam PSP and **1200 MW** Umsong PSP, Meghalaya is under Survey & Investigation.

Upcoming Hydro Electric Projects in Siyom Sub-basin of Siang river basin in Arunachal Pradesh:

240 MW Heo Hydro Electric Project
186 MW Tato-I Hydro Electric Project
700 MW Tato-II Hydro Electric Project
1000 MW Naying Hydro Electric Project
500 MW Hirong Hydro Electric Project

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