



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान
Statutory Body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

www.icmai.in

63rd **NCMAC**
2026

Knowledge Pack

63rd NATIONAL COST AND MANAGEMENT
ACCOUNTANTS' CONVENTION (NCMAC)
2026

RISE India

Reposition. **I**ntensify. **S**trengthen. **E**nhance.



JANUARY 9 - 11, 2026
(FRIDAY TO SUNDAY)

MERLIS HOTEL, COIMBATORE
TAMIL NADU



Knowledge Partner



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Behind Every Successful Business Decision, there is always a **CMA**

About the Institute

The Institute of Cost Accountants of India is a statutory body established under an Act of Parliament in 1959. As part of its obligations, the Institute regulates the profession of Cost and Management Accountancy, enrolls students for its courses, provides coaching facilities to the students, organises 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 are increasingly contributing toward the management of scarce resources and apply strategic decisions. This has opened up further scope and tremendous opportunities for cost accountants in India and abroad.

After an amendment passed by Parliament of India, the Institute is now renamed as "The Institute of Cost Accountants

of India" from "The Institute of Cost and Works Accountants of India". This step is aimed towards synergising with the global management accounting bodies, sharing the best practices which will be useful to large number of trans-national Indian companies operating from India and abroad to remain competitive. With the current emphasis on management of resources, the specialized knowledge of evaluating operating efficiency and strategic management the professionals are known as "Cost and Management Accountants (CMAs)". The Institute is the largest Cost & Management Accounting body in the world, having approximately 6,00,000+ students and 1,00,000+ qualified professionals all over the globe. The Institute headquartered at Delhi operates through four regional councils at Mumbai, Chennai, Kolkata & Delhi and 112 Chapters situated across the country as well as 11 Overseas Centres. It functions under the jurisdiction of the Ministry of Corporate Affairs, Government of India.

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 सदगमय
तमसोमा ज्योतिर् गमय
मृत्योर्मा मृतं 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



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2026

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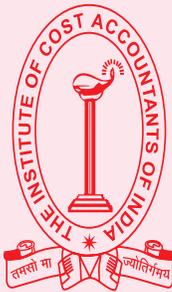
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Behind Every Successful Business Decision, there is always a **CMA**

**CMA T.C.A. Srinivasa Prasad**

President, ICMAI &
Chief Patron - 63rd NCMAC, 2026

MESSAGE

It is a matter of great privilege and pride to present the Knowledge Pack for the 63rd National Cost and Management Accountants' Convention (63rd NCMAC 2026), anchored in the visionary theme "RISE India – Reposition India and CMAs, Intensify Growth, Strengthen Competence & Enhance Capabilities." This theme aptly reflects our collective resolve to propel Indian corporates toward enhanced performance, sustainability and global competitiveness.

As India accelerates its journey toward the ambitious goal of Viksit Bharat 2047, the role of the Cost and Management Accountant has undergone a significant transformation from that of a financial steward to a strategic value creator and change enabler. Responding to this evolving landscape calls upon us to truly RISE by repositioning our profession, intensifying growth, strengthening competencies, and enhancing capabilities.

In an era marked by rapid technological advancement and a strong national emphasis on self-reliance, this Convention serves as a dynamic and inclusive platform. It brings together government representatives, industry leaders, academicians and professionals to engage in insightful deliberations and forward-looking discussions. These interactions perfectly encapsulate our objective of empowering members to emerge as architects of industry growth and pillars of economic resilience.

Sincere appreciation is conveyed for the eminent contributors whose dedicated efforts have enabled the timely publication of this Knowledge Pack, enriching the intellectual discourse of the Convention.

Jai Hind!



CMA TCA Srinivasa Prasad



CMA Neeraj D. Joshi
Vice President, ICAI &
Chairman - 63rd NCMAC, 2026

MESSAGE

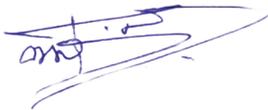
It is a matter of immense pride to present the Knowledge Pack for the prestigious 63rd National Cost and Management Accountants' Convention 2026, themed "RISE India – Reposition India and CMAs, Intensify Growth, Strengthen Competence & Enhance Capabilities." This publication embodies the collective commitment to the national vision of achieving Viksit Bharat by 2047 and underscores the critical role of CMAs in India's ongoing economic transformation.

Meticulously curated, the Knowledge Pack addresses the dual challenges of global competitiveness and rapid technological disruption. With a strong focus on accelerating growth and strengthening core competencies, it offers valuable insights into manufacturing leadership and service excellence. As the regulatory environment continues to evolve, this resource provides a robust intellectual framework to enhance professional capabilities while promoting transparency, efficiency and value creation across the corporate ecosystem.

The Knowledge Pack is intended to serve as a valuable resource for knowledge dissemination, awareness creation and capacity building among CMA professionals and other stakeholders. To be released online following the Convention, it reflects commendable efforts to compile relevant and insightful content that supports continuous professional development and enhances understanding of emerging industry, regulatory and economic perspectives.

Sincere appreciation is extended to all eminent resource persons, contributors and stakeholders whose efforts have enriched this publication and will continue to create lasting value through knowledge sharing and professional capacity building.

With best wishes,



CMA Neeraj D. Joshi



CMA Manoj Kumar Anand

Council Member, ICAI &
Convener - 63rd NCMAC, 2026

MESSAGE

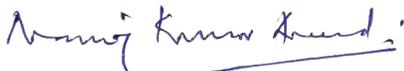
As we convene for the **63rd NCMAC 2026** on the forward-looking theme, **“RISE India - Reposition India and CMAs, Intensify Growth, Strengthen Competence & Enhance Capabilities.”** I am indeed very happy to bring forth the Knowledge Pack in our 63rd National Cost and Management Accountants' Convention. I feel a profound sense of optimism and responsibility. This theme resonates with the changing aspirations of a new India where corporate entities are seen not just as economic engines, but as ethical leaders and innovation hubs.

This theme reflects the evolving aspirations of a modern India, where corporate entities are recognized not only as economic engines but as hubs of innovation and ethical leadership. In this transformative era, our young CMAs and aspiring professionals serve as the essential torchbearers of change. With their holistic business perspective and agility, CMAs are uniquely positioned to redefine excellence within the Indian corporate landscape.

The NCMAC 2026 is more than a gathering it is a strategic convergence of visionaries, policymakers, and scholars dedicated to reimagining value creation. I extend a warm welcome to all participants.

I am confident that our deliberations will inspire bold ideas and empower our profession to lead with purpose toward sustainable national success.

I extend a heartfelt welcome to all participants, and I am confident that this event will foster deep learning, inspire bold ideas, and empower professionals to lead with purpose. Let this Convention be a landmark in our shared journey toward sustainable corporate success.



CMA Manoj Kumar Anand



CMA Harshad S Deshpande

Council Member, ICAI &
Chairman, Souvenir Committee - 63rd NCMAC, 2026

MESSAGE

Dear Professional Colleagues,

I am delighted to present this **Knowledge Pack** for the **63rd National Cost and Management Accountants' Convention (NCMAC) 2026** a curated compendium of insights designed to serve as a beacon for our profession as we navigate the transformative era of Viksit Bharat 2047.

Our theme for this year, "**RISE India**," is not merely an acronym; it is a strategic call to action for every Cost and Management Accountant (CMA).

This Knowledge Pack has featured thought-provoking articles and expert perspectives on Industry. It is intended to be a living document that you can carry back to your boardrooms and offices to implement the ideas discussed.

As the economic landscape of India undergoes a paradigm shift, the role of the CMA has become more pivotal than ever. We are the architects of financial discipline and the guardians of operational integrity. Let this convention be the catalyst that inspires us to innovate, collaborate, and lead.

I wish all the delegates and participants an enriching experience. May the deliberations at NCMAC 2026 empower us to truly **RISE** and contribute significantly to the vision of a prosperous, developed India.



CMA Harshad S Deshpande

**CMA Vijay Kiran Agastya**

Chairman, ICAI-SIRC &
Co-Chairman - 63rd NCMAC, 2026

MESSAGE

It gives me immense pride and great optimism to present the Knowledge Pack for the **63rd National Cost and Management Accountants' Convention (63rd NCMAC 2026)**. This year's convention is built around a powerful and forward-looking theme:

“RISE: Reposition India and CMAs, Intensify Growth, Strengthen Competence & Enhance Capabilities.”

This theme is both timely and transformative as India advances decisively toward the vision of **Viksit Bharat 2047**. *RISE* is not merely an acronym — it is a strategic roadmap and a collective call to action for our profession:

- **Reposition** — Elevating the CMA brand as a strategic partner in economic policy, enterprise value creation, and global competitiveness.
- **Intensify** — Accelerating professional growth across high-impact domains such as AI, ESG, digital finance, and analytics.
- **Strengthen** — Deepening our technical excellence and governance standards to meet and exceed global benchmarks.
- **Enhance** — Expanding our capabilities to drive performance and innovation across India's manufacturing and service ecosystems.

Today's business environment demands far more than financial control — it calls for insight, speed, technology fluency, and strategic foresight. CMAs stand at this critical intersection of **financial intelligence, digital transformation, and value leadership**. From strengthening MSMEs to enabling large enterprises to scale responsibly, our profession plays a decisive role in risk-aware decisions and sustainable growth.

I warmly welcome all distinguished speakers, delegates, and participants. Let us use this Convention as a platform to exchange ideas, challenge assumptions, and shape the next phase of professional excellence, together ensuring that both **India and the CMA community truly RISE**.



CMA Vijay Kiran Agastya



CMA (Dr.) R. Maheswaran
Chairman, ICAI-Coimbatore Chapter &
Co-Convener - 63rd NCMAC, 2026

MESSAGE

I am delighted to share the Knowledge Pack for the **63rd NCMAC 2026**. This year's theme, "**RISE: Reposition India and CMAs, Intensify Growth, Strengthen Competence & Enhance Capabilities,**" reflects a pivotal moment for both our nation and our profession. By repositioning the role of the CMA and intensifying growth, we are directly contributing to India's stature as a leading global economy.

In today's complex business environment, the CMA's ability to deliver data-driven insights and operational efficiency is a cornerstone of corporate success. This Convention is a celebration of that expertise and a call to action to further enhance our capabilities.

I welcome our esteemed delegates to this gathering. Together, let us explore how we can continue to elevate the standards of corporate practice and serve as catalysts for a resilient, innovation-led India.



CMA (Dr.) R. Maheswaran

EDITORIAL

Repositioning India and CMAs

The first pillar of our theme demands a new identity. As India positions itself as a global economic leader, the CMA brand must evolve from “accountants” to Strategic Value Creators. We are the bridge between financial integrity and national policy, driving the narrative in boardrooms and government corridors alike. From navigating the complexities of AI-driven finance to leading the charge in Green Finance, CMAs are repositioning themselves at the very center of India’s economic reform.

Intensifying Growth of the Profession

Growth is no longer linear; it is exponential. The opportunities in global consulting, startups, and MSME advisory are “booming.” By leveraging initiatives like Gati Shakti and the PLI schemes, CMAs are intensifying their impact, transforming from back-office support to high-stakes decision-makers who drive cost-competitiveness in a hyper-competitive global market.

Strengthening Competence & Capability

To lead, we must first learn. The 2026 landscape demands mastery over Industry 5.0, Blockchain, and Data Analytics. Strengthening our core means ensuring every CMA is one who synchronizes seamlessly with technology to provide predictive insights that help businesses scale without the traditional friction of expansion.

Enhancing Capabilities for Manufacturing & Service Leadership

India’s dream of becoming a global manufacturing hub requires more than just labor; it requires Cost Leadership. Whether it is lean operations in textiles or strategic costing in the BFSI sector, CMAs are the financial engineers optimizing every rupee. Our goal is to ensure that “Make in India” is synonymous with “Global Excellence.”

The Recipe for Financial Reporting: IndAS, BRSR & ESG

Finally, the “Knowledge Pack” delves into the ultimate recipe for modern corporate transparency. We no longer report just profits; we report purpose.

- IndAS provides the precision of fair value.
- BRSR provides the framework for responsible conduct.
- ESG provides the KPI-driven appeal for global investors.

By layering IndAS-compliant financials with BRSR governance and ESG sustainability metrics, CMAs are crafting Integrated Reports that tell the true story of value creation.

This Convention is our blueprint. Let us embrace the RISE framework to innovate, collaborate, and lead. Together, we are not just witnessing India’s rise, we are the ones making it happen.

EXECUTIVE SUMMARY

The **63rd National Cost and Management Accountants' Convention (63 NCMAC 2026)** arrives at a pivotal juncture in India's economic history. Centered on the visionary theme **"RISE India – Reposition, Intensify, Strengthen, Enhance,"** this Knowledge Pack serves as a strategic roadmap for the profession to align with the national goal of achieving a **Viksit Bharat by 2047**. As noted by the President and Vice President, the CMA's role has fundamentally shifted from traditional financial gatekeeping to becoming a "strategic value-creator" and an "architect of economic resilience."

Strategic Pillars of the Knowledge Pack

The articles curated for this volume are categorized into four critical dimensions that reflect the **RISE** framework:

1. Repositioning: The CMA as a Strategic Architect

Authors explore the evolution of the profession into the **"Vishwakarma"** and **"Adishesha"** of the modern economy. Contributions focus on the CMA's role in shaping India's next leap of economic leadership, specifically within the audit architecture of Public Sector Undertakings (PSUs) and the burgeoning Global Capability Centers (GCCs). The narrative shifts toward positioning CMAs as the drivers of a **\$10 Trillion economy**.

2. Intensifying: Growth through Cost Leadership & Innovation

With a focus on manufacturing and service leadership, the articles delve into:

- **Renewable Energy:** Driving cost leadership in new-age green segments.
- **Atmanirbhar Bharat:** Strategies for self-reliance and organizational transformation.
- **Operational Excellence:** Moving beyond Six Sigma toward **Zero Defect Manufacturing** to enhance global competitiveness.

3. Strengthening: Competence in a Digital & Regulatory Era

The Knowledge Pack addresses the "Competence Engine" required for the next decade. Key technical insights include:

- **Modern Financial Reporting:** A "recipe" blending **Ind AS, BRSR, and ESG**.
- **Revenue Discipline:** Specific focus on **Ind AS 115** for EPC IPOs.
- **Technological Integration:** The utilization of **AI for real-time variance reporting** and the strategic importance of KYC initiatives in organizational risk management.

4. Enhancing: Resilience and Sustainability

To ensure long-term viability, contributors present frameworks for **Business Resilience (The 6R Framework)** and sustainable growth. The integration of transparency as a competitive edge and the alignment of sustainability with corporate strategy are highlighted as essential capabilities for the future-ready professional.

This Knowledge Pack is more than a collection of articles; it is a declaration of the CMA profession's readiness to lead India's economic metamorphosis. By bridging the gap between policy and practice, these insights empower professionals to drive efficiency, transparency, and value in a turbulent global landscape. As we look toward 2047, the CMA stands ready to be the backbone of a self-reliant, globally dominant India.

Contents

Sl No	Title	Author	Page
1	Enhancing Capabilities for Manufacturing & Service Leadership – The RISE India Story	CMA Rohit Agarwal	1
2	Enhancing Capabilities for Manufacturing & Service Leadership	CMA Debasish Paul	3
3	Driving Cost Leadership in New-age Renewable Energy Segments	CMA Deepa Dutta Chaudhuri	9
4	Repositioning India and the Strategic Role of CMAs How Cost & Management Accountants Can Shape India's Next Leap of Economic Leadership	CMA Shankar Iyer	12
5	Role of CMAs in Rise India Landscape	CMA Bhaskaran K	19
6	Building India's Competence Engine for the Next Decade	CMA Nishant Kumar Singh	23
7	CMAs: The "VISHWAKARMA" of Modern Indian Economy	CMA Swagat Sahoo	30
8	Transforming Organizational Capabilities and Leadership in Manufacturing and Services: A CMA Perspective	Dr. Gour Gopal Banik	32
9	Strengthening and Repositioning of CMA in a new Avtar of ADISHESHA	CMA Neena Bishnoi	37
10	Building Business Resilience – A 6R Framework for Indian Enterprises	CMA Anuradha Dhavalikar	43
11	The Recipe of Modern Financial Reporting: Blending Ind AS, BRSR and ESG	CMA (Dr.) S. Kuppan	48
12	Ind AS 115: Revenue Discipline for EPC IPOs	CMA (Dr.) T. Vigneshwaran	51
13	Enhancing Manufacturing Capabilities through Zero Defects Manufacturing: A Shift beyond Six Sigma	CMA (Dr.) Purnendu Basu	53
14	Rise India: Repositioning India and CMAs for a \$10 Trillion Future	CMA (Dr.) Gagan Pareek	59
15	Repositioning of India and the Strategic Role of CMAs in the Audit Architecture of Public Sector Undertakings	CMA L Gurumurthy	62
16	Repositioning India and CMAs	CMA Shamsher Bahadur Singh	65
17	Vikshit Bharat 2047 In the Eye of A Cost and Management Accountant (CMA)	CMA (Dr.) Samir Ghosh	70
18	Repositioning Cost and Management Accountants in India's Transforming Economic and Policy Landscape	CMA Ranajit Ghosh	72
19	The RISE Framework: Transparency as India's Competitive Edge	CMA Manisha Basu Roy	75
20	CMAs as Architects of Atmanirbhar Bharat	CMA Raja Mukherjea	79
21	India - An Emerging Economic Power in Turbulent Times- A Perspective	CMA (Dr.) R. Ravichandran	83

Sl No	Title	Author	Page
22	RISE India – Reposition, Intensify, Strengthen, Enhance Repositioning India and the Cost & Management Accounting Profession <i>A Viksit Bharat @2047 Perspective</i>	CMA (Dr.) Ram Kumar Mishra	89
23	RISE India: CMAs Powering GCCs	CMA (Dr.) Mahendra Kunku	95
24	RISE India: Repositioning India through CMA-Led Sustainable Growth Framework A CMA-Led Framework for Sustainable Growth, Cost Leadership, and National Transformation	CMA Hari Anandhan	101
25	Building Future-Ready CMAs for Rise India	CMA Narasimhan Ramakrishnan	104
26	Essentials for Strengthening our Competencies and Capabilities	CMA G. Venkataraman	107
27	Real-time Variance Reports in AI era	CMA D M Bala Chander	110
28	The role of Management Accountants in spearheading KYC initiatives in an Organization	CMA Varun V	114
29	RISE India and the New Financial Reporting Recipe	CMA Renu Singhanian	118
30	Repositioning India and CMAs - Integrating Sustainability with Strategy	CMA A Sekar	122

Enhancing Capabilities for Manufacturing & Service Leadership – The RISE India Story

Abstract

India's growth journey is built on its ability to learn, adapt, and lead. Under the spirit of *RISE India – Reposition, Intensify, Strengthen, Enhance*, this article highlights how the manufacturing and service sectors can move from potential to performance. It also reflects on how CMAs contribute quietly but powerfully to building a capable, competitive, and ethical India.



CMA Rohit Agarwal

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Introduction

If you talk to people in factories, offices, or startups today, there's a sense of movement in the air. India is not standing still anymore. From electronics in Tamil Nadu to fintech in Bengaluru, we are slowly learning how to create, not just consume.

This change captures the meaning of **RISE India** — *Reposition, Intensify, Strengthen, Enhance*. It's not only about big projects or government plans; it's about how each part of the economy improves its capability to perform better every day.

And when we talk about capabilities — whether in manufacturing or services — Cost and Management Accountants (CMAs) have a quiet but decisive role to play.

Reposition: From Cost Advantage to Capability Advantage

For years, India was known for low-cost production. But now, the goal is different — to become known for *smart, sustainable, and quality-driven* work.

In manufacturing, this means better process control, lean production, and realistic costing. In services, it means moving from volume-based work to value-based outcomes.

A few months ago, I met the owner of a small packaging unit near Noida. He said, "We never realized we were losing money on our biggest order until a CMA helped us calculate the real cost." That one costing exercise changed how he priced his products.

This is what **repositioning** truly looks like — not in slogans, but in everyday decisions that make industries stronger.

Intensify: Doing Better with What We Have

India's challenge isn't always lack of resources; it's how we use them. The "I" in RISE means to **intensify** — to push the limits of what's possible through efficiency and innovation.

CMA's do this best. In a logistics firm I once worked with, simple cost tracking across delivery routes helped reduce losses on two routes by nearly 12%. The numbers were already in their system — they just needed the right eyes to interpret them. Whether it's manufacturing, IT, or healthcare, CMA's help organisations use data intelligently, reduce waste, and make quicker, confident decisions. That's how small improvements lead to big capability shifts.

Strengthen: Building Competence, Ethics, and Confidence

The "S" in RISE stands for *Strengthen*, and this is where capability becomes culture. India's growth needs professionals who combine technical skill with ethical grounding.

Modern CMA's are no longer just accountants. They understand production, analytics, ESG, and digital tools. They connect numbers with real business sense.

Through programmes like ICAI's **Digital Competency Development**, professionals are learning to use AI-based forecasting, ERP tools, and sustainability metrics. But technology alone isn't enough. True strength comes from integrity — doing what's right even when no one is watching.

When CMA's bring that value system to the workplace, they don't just strengthen organizations — they strengthen the nation.

Enhance: Turning Skill into Leadership

Enhancement is the last step of RISE — it's where all learning turns into leadership.

In manufacturing, enhancing capability means continuous improvement — reducing rework, managing energy smartly, and building green supply chains. In services, it means delivering consistent quality and earning customer trust.

A small example: a Bengaluru-based engineering firm used a CMA-designed cost dashboard to track every process cost daily. Within months, they found that minor idle time in one line was costing lakhs every quarter. Fixing it improved both profits and morale.

That's how real enhancement happens — not through sudden change, but steady, smart improvements guided by data and discipline.

The CMA's Role in India's RISE

Each part of the RISE vision matches perfectly with what CMA's already do:

- **Reposition** – Helping organisations rethink cost and strategy.
- **Intensify** – Driving efficiency through better systems and data.
- **Strengthen** – Building ethical, digital, and managerial competence.
- **Enhance** – Turning skill and knowledge into long-term leadership.

From large PSUs to MSMEs, from startups to service giants — CMA's are the invisible backbone ensuring that India's growth remains grounded, measurable, and sustainable.

Conclusion: India's Rise, Powered by Capability

India's dream of becoming a global leader will not come from size alone; it will come from **capability** — the ability to do things better, faster, and with purpose.

Every manufacturing unit that controls waste, every service firm that understands true profitability, every CMA that ensures transparency — together, they build the India we all imagine.

The rise of India will not happen in one giant leap. It will happen in millions of small, smart steps — guided by professionals who care about both numbers and nation.

And when that happens, the world will not just see India rise.

It will see India **lead**.

Enhancing Capabilities for Manufacturing & Service Leadership

Abstract

India is entering a new phase of growth where manufacturing and services must move to higher value, higher technology and higher productivity. This article explains how India can build leadership in these areas by strengthening capabilities, improving skills and adopting modern systems. It also highlights the growing importance of CMAs in shaping cost competitiveness, efficiency, sustainability and governance in both manufacturing and services.



CMA Debasish Paul

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India is standing at a pivotal juncture in FY 2024–25, with real GVA growing while structural challenges persist. To become a global leader, India must deepen capabilities in key manufacturing and service industries—such as EVs, electronics, pharma, IT, and logistics. Cost & Management Accountants (CMAs) are uniquely positioned to drive this transformation by bringing cost discipline, data-driven decision-making, and sustainability into the heart of business strategy.

1. Why Enhancing Capabilities Matters More Than Ever

In FY 2024–25, India’s real GVA is estimated to grow at 6.4%. Meanwhile, the projected real GDP growth for FY 2024–25 is about 6.5%.

This picture shows that while growth continues, it is not frictionless: structural challenges in manufacturing and increasing demands on services require us to strengthen our foundations.

Manufacturing is essential but is showing signs of moderation: as per recent data, manufacturing GVA growth in 2024–25 is estimated to fall to 4.5%, down from strong levels earlier.

At the same time, the services sector remains dominant — contributing about 55% of GVA in FY 2024-25. A NITI Aayog report notes that the share of manufacturing in GVA has stagnated around 17–18%, even as the services share has grown.

These statistics make one thing clear: India’s growth story can no longer rely solely on expanding volume. There is a strong and urgent need to enhance capabilities—in technology, cost management, skill, and sustainability.

2. Key Challenges & Opportunities in Manufacturing and Services

2.1 Manufacturing: The Need for Capability, Not Just Scale

- Industry data for FY 2023–24 shows manufacturing GVA grew 11.89%.
- However, the slowdown in FY 2024–25 suggests potential weakening in momentum or rising inefficiencies.
- Many manufacturing firms still do not use advanced digital systems: according to national surveys, only about 25% of manufacturing units use smart systems or Industry 4.0 tools.
- Logistics remain costly: high transport and inventory costs erode global competitiveness.
- Quality and standardization are not yet universal, especially in MSMEs.

2.2 Service Sector: Growth Is Strong but Needs Depth

- Services accounted for 55% of India's GVA in FY 2024–25.
- The average post-pandemic growth for services (FY 2023–25) was around 8.3%, showing resilience.
- But many service firms lack robust costing systems to measure cost per service, cost-to-serve, and profitability by client or line.
- Digital adoption is uneven — while IT services are advanced, traditional services such as logistics, healthcare, and tourism need more capability-building.
- Regulatory and ESG pressures are rising, demanding better governance, reporting, and cost transparency.

3. Strategic Manufacturing & Service Industries for India's Leadership

To build true leadership, India must focus on *specific* sectors with high potential, global relevance, and national importance.

3.1 Key Manufacturing Industries

1. Electric Vehicles (EVs)

- India sold over 1.3 million EVs in FY 2024–25, with the two-wheeler (E2W) segment leading at 1.14 million units).
- EV penetration (share of EVs) crossed 7% in 2024–25.
- Domestic EV manufacturing can reduce import dependence on critical parts, drive green mobility, and give India a strong place in the future global auto market.

2. Electronics & Semiconductors

- Electronics is a strategic sector; by building strong domestic production of semiconductors, PCBs, and advanced components, India can participate more in global value chains.
- Investments in semiconductor fabs and incentives (PLI-like) are essential.

3. Pharmaceuticals & Medical Devices

- India is already strong in generics but needs to scale in biotech, biosimilars, and advanced drug manufacturing.
- Strengthening R&D, quality control, and cost structures will make India an exporter of high-value medicines and devices.

4. Food Processing / Agro-based Industries

- With a large agrarian base, value addition through food processing, cold chains, and packaging can increase farmers' incomes and India's export share.

- Cost control, standardization, and efficiency are critical here.

5. Renewables & Green Manufacturing

- As India ramps up its green energy ambitions, manufacturing of solar modules, energy storage, and green technologies will be key.
- This sector also allows for sustainable cost structures if managed well.

3.2 Key Service Industries

1. Information Technology & IT-enabled Services (ITeS)

- The IT/ITeS industry is already a major global player. According to the Economic Survey, the industry's revenues remain strong.
- Areas like cloud computing, AI, cybersecurity, and digital transformation services hold high future potential.

2. Logistics & Supply Chain

- Efficient logistics are critical to both manufacturing and trade. With better systems and cost management, India can reduce logistics burden and improve export competitiveness.
- Modern 3PL, data-driven supply chain services, and cold chain infrastructure must be expanded.

3. Healthcare & Telemedicine

- India can leverage its talent and scale to provide affordable, high-quality healthcare.
- Telemedicine, diagnostics, and health-tech services can serve not just India, but global markets.

4. Financial Services & FinTech

- As digital payments, micro-finance, and financial inclusion deepen, India's fintech sector will remain a global growth engine.
- Cost transparency, risk management, and scalable service models will be vital.

5. Sustainable Services & ESG Advisory

- Demand will grow for ESG consulting, green finance, sustainability reporting, and risk advisory.
- CMAs, with their cost and governance expertise, can become the backbone of this new service industry.

4. The Role of CMAs in Building Capability

What makes CMAs especially valuable in this mission? Several strengths make them key enablers of India's leadership.

1. Cost Mastery

- CMAs understand how costs are built, allocated, and controlled. In manufacturing, they can map cost per component, eliminate waste, and optimize margin.
- In services, they can design costing structures for service lines, evaluate profitability of different clients or services, and suggest pricing strategies.

2. Performance Measurement & Management

- CMAs build performance dashboards, variance analysis systems, and KPI frameworks that help businesses track efficiency, productivity, and profitability.
- For manufacturing plants, CMAs can recommend process improvements; for service companies, they can guide resource utilization and billing models.

3. Strategic Decision Support

- CMAs can conduct cost–benefit analyses, life-cycle costing, investment appraisal and risk cost estimation. This helps leadership make informed decisions about capacity, projects, and sustainability.
- They also support capital planning, working capital management, and financial modelling.

4. Sustainability & ESG Reporting

- With ESG (Environmental, Social, Governance) gaining importance, CMAs can measure environmental costs (such as emissions, energy use), advise on carbon pricing, and help integrate ESG metrics into financial reporting.
- They can lead the design of sustainable cost models, help in BRSR (Business Responsibility & Sustainability Reporting), and guide companies toward circular economy practices.

5. Digital Transformation

- CMAs can lead or support ERP implementation, costing system automation, predictive analytics adoption, and data-driven decision-making.
- By combining financial acumen with digital tools, they help industries modernize their financial infrastructure.

6. Capacity Building

7. CMAs can train teams in cost awareness and financial discipline — from factory supervisors to service delivery managers.
8. They can mentor younger professionals in analytics, ESG, and strategic finance, creating a new generation of cross-functional leaders.

5. Building a Collaborative Ecosystem

To drive this transformation, we need more than individual efforts — we must build an ecosystem of industry, professionals, and policy.

1. Industry–Professional Partnership

- Manufacturing firms (EV, electronics, pharma) should actively engage CMAs in planning cost systems, performance reviews, and strategic projects.
- Service firms (IT, logistics, health) should embed CMAs in their leadership and decision teams to build cost-conscious, data-driven culture.

2. Training & Development

- ICMAI and CMA professionals can jointly run workshops on modern costing techniques, digital finance, ESG reporting, and strategic advisory.
- There should be “**Centers of Excellence**” where professionals from manufacturing, finance, and operations work together: for example, a lab where CMAs help plant managers set up cost dashboards, or an incubator where CMAs help service startups build cost models.

3. Policy Advocacy

- CMA bodies can work with government to promote policies that support cost transparency, PLI incentives, and professional costing standards.
- They can also advocate for better reporting frameworks (like BRSR), sustainability incentives, and financial support for MSMEs to adopt robust costing systems.

4. Technology Adoption

- Encourage firms to adopt low-cost digital tools for cost monitoring, MIS, and dashboards. CMAs can

lead the implementation and ensure these tools are used effectively.

- Use predictive analytics and AI (where possible) to forecast costs, detect waste, and improve planning.

6. Inspirational Vision: India Leading Through Capabilities

Picture India in 2040:

- **EV hubs** across the country, producing affordable, high-quality electric two-wheelers, three-wheelers, and even passenger cars — supported by strong CMA-led cost systems.
- **Electronics clusters** building semiconductors, PCBs, and advanced devices, with local R&D and global exports.
- **Biotech and pharma parks** manufacturing cutting-edge therapies, with globally recognized quality and cost-efficient processes.
- **Agri-processing zones** turning farm yield into packaged, value-added exports, reducing wastage and increasing farmer income.
- **Digital service centres** for software, cloud, AI, healthcare tech, and ESG consulting, powered by money-smart, cost-aware professionals.
- **Logistics networks** that operate with lean cost structures, efficient supply chains, and sustainability built in.

In every one of these, CMAs are not just number watchers. They are partners in building value, guardians of efficiency, and advisors for sustainable growth. They help businesses make decisions that are not just profitable today but built for long-term stability.

7. Challenges & How to Overcome Them

This journey will not be easy. Some of the key challenges include:

1. Slower Manufacturing Growth

- Manufacturing growth is expected to moderate (4.5%) in FY 2024-25.
- Overcoming this requires cost optimization, lean processes, and better capital planning.

2. Stagnant Industrial Share

- Despite growth, manufacturing's share in GVA has not expanded meaningfully, staying near 17–18%.
- We need structural reforms, skill building, and strong cost governance to boost competitiveness.

3. Skill and Digital Gaps

- Many SMEs lack trained staff in costing, digital finance, and performance measurement.
- Address this through targeted training, mentoring by CMAs, and technology adoption with affordable tools.

4. Cost of Technology

- Adopting ERP, analytics, and digital systems requires investment. For smaller enterprises, this may look expensive.
- Use modular systems, phased implementation, and CMA guidance to bring ROI.

5. Sustainability Pressure

- ESG reporting, carbon costs, and green transformations are not easy to measure or implement.
- CMAs must lead companies in internalizing environmental cost, creating sustainability KPIs, and integrating ESG goals with financial goals.

6. Policy & Regulatory Hurdles

- Lack of uniform incentives, regulatory clarity, or support for costing transparency can slow progress.
- CMA institutions can advocate for better policies, share success stories, and collaborate with industry bodies.

8. Conclusion: The CMA Call to Action

Enhancing capability is not just a trend; for India today, it is a necessity. As the world shifts, India cannot rely on low-cost labor alone — we must compete on smartness, efficiency, value, and integrity.

Cost and Management Accountants must step forward more than ever. We must act as:

- **Strategic partners** in manufacturing and services, not just bean counters
- **Advisors for digital transformation** and performance measurement
- **Champions of sustainability**, guiding ESG, cost transparency, and green practices
- **Mentors and teachers**, building the next generation of cost-aware professionals
- **Voices for change**, advocating for policies that support professional costing and capability development

India's mission is clear: to RISE — **Reposition, Intensify, Strengthen, and Enhance**. In this mission, CMAs are not just participants, but **catalysts**.

Let us stretch out our hands — as CMAs, as industry professionals, as partners in nation-building — and contribute not only to India's growth story, but to its leadership story.

Driving Cost Leadership in New-age Renewable Energy Segments

Abstract

An article on the sub-topic, Strengthening Competence & Capability (maintaining the overall theme of RISE India-Reposition, Intensify, Strengthen, Enhance), I explore the opportunities that the emerging sectors of offshore wind, and green hydrogen and its derivatives is poised to throw up for CMAs. I have enumerated the exact areas where CMA professionals can bring value and their professional expertise.



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India's renewable energy adoption is galloping towards its 2030 targets – 500 gigawatts (GW) of installed electricity capacity milestone from non-fossil fuel sources. We stand at 259.42 GW as per the Ministry of New and Renewable Energy (MNRE)'s Physical Achievements Report on 31.10.2025^A. Earlier this year, we also crossed a significant milestone; more than 50% of our country's installed power capacity now comes from non-fossil fuel sources. Over and above solar and wind energy, this non-fossil fuel mix includes nuclear power, hydro (small and large), bio-mass (both bagasse and non-bagasse), and waste-to-energy. What it does not still include are offshore wind, green hydrogen and its derivatives like green ammonia, and green methanol. The RE sector is now deeply engaged in discussions and deliberations around these new-age cleaner and greener power that can reduce our carbon footprint significantly taking the country to its net-zero targets by the year 2070.

Evolving policy frameworks for offshore wind, green hydrogen and its derivatives

Let us first examine the current status of each:

- **Offshore wind:** With a coastline of 7,600 kms, India has huge potential for offshore wind power. The National Offshore Wind Energy Policy as per the Gazette Notification^B dated 6th October 2015 confirmed National Institute of Wind Energy (NIWE)'s, the nodal agency for this sector, preliminary resource estimation of approximately 70 GW potential off the coasts of Gujarat and Tamil Nadu alone. The sector has been taking baby steps with the release of the Offshore Wind Energy Lease Rules in 2023, bid announcement for 4 GW offshore wind tender in Tamil Nadu, and a 500 MW project off Gujarat, introduction of the Viability Gap Funding (VGF) scheme. And while it is working out the economics of high capital outlay, infrastructure and supply-chain integration, and local availability of suitable turbines, offshore wind is not a distant dream for India

- Green Hydrogen and its derivatives:** Green hydrogen (GH₂) is the buzzword today in India's renewable energy circuit. Produced through electrolysis using renewable energy, its entire cycle, from energy input to the final fuel, is effectively zero-emission. According to a study by imarcC, India's *market is expected to reach USD 25,337.97 Million by 2033, exhibiting a growth rate (CAGR) of 39.50% during 2025-2033*. The Government of India launched the National Green Hydrogen Mission (NGHM) laying the initial framework to tap its full potential for India's clean energy transition. Green ammonia, a derivative of green hydrogen, is easier to store and export, and is therefore, being seen as a good export fuel, and suited for the shipping, and fertiliser industries. Similarly green methanol, another derivative of green hydrogen, but different from green ammonia in that it requires carbon dioxide as an input usually captured from industry or air, is also being seen as a good green fuel for shipping, and for the chemical and plastic industries. Like offshore wind, with green hydrogen and its derivatives too, the Indian industry will have to workout the economics of capital investment, base infrastructure, upstream and downstream value-chain development. Yet, there is no doubt that these will be the clean fuels of the future

Herein lies newer opportunities for CMAs

Even as the prospects and policies of offshore wind and green hydrogen continue to evolve in India, CMAs are being seen as one of the most critical players in these new-age green energy segments. Traditionally the go-to professionals for operational efficiencies, cost control, process optimisation, CMAs are now central to assessing techno-economic feasibility, mapping value-chain risks and economics, and guiding investment decisions for these emerging green-energy segments.

Let us take a detailed look at the areas where CMAs can bring in focussed professional expertise:

- Traditional cost management roles:**
 - Feasibility analysis, strategy, and planning:** The very bastion of all CMAs, evaluating the viability of offshore wind farms or green hydrogen projects, guiding capital allocation, assessing potential returns for large-scale infrastructure investments, and developing robust financial models that account for project lifecycle costs lie at the core of the CMA profiles
 - Cost management and operational efficiency:** Yet another traditional strength of a CMA, they will bring value to the new-generation green energy sectors by establishing robust cost control mechanisms for complex supply chains, managing procurement for specialized equipment, and driving cost optimisation through value engineering and process simplification
 - Supply chain economics and risks:** Robust supply chain is one of the most critical essentials for both the offshore wind, and green hydrogen sectors. CMAs, with their expertise to analyse economic implications and potential vulnerabilities of the entire value chain will help determine project viability, and optimum operating models
- Risk management and regulatory compliance roles:** CMAs will play a defining role in identifying and mitigating unique financial and regulatory risks associated with new energy technologies. Their scope will lie in identifying and quantifying financial risks related to policy changes, market volatility, technological shifts, and operational complexities in a fragmented geo-political world. Similarly, they will play an important role in decoding and advising on the financial impact of evolving government policies, subsidies, and tax benefits.
- ESG reporting, a new-age role:** Integrating environmental and social performance into the overall performance narrative is a growing field for CMAs. This profession has a vantage position in preparing project impact reports for both environmental and social governance (ESG) reports, as well as for investor pitches. With ESG data scrutiny rising, CMAs can provide audit-ready systems, controls, and verification frameworks to ensure accuracy and compliance. CMAs are also best qualified for computing product- and / or project-level emissions, embedded carbon, lifecycle costs, and cost–benefit comparisons of green alternatives

CMA's are at the cusp of an exciting new-energy era

As the offshore wind, and green hydrogen evolves in the days to come, CMA's can only be excited at the numerous opportunities that will follow. Whether working with independent power producers (IPPs), or ancillary industries, or even regulatory authorities, and government bodies, CMA's are best placed to provide professional expertise and guidance in meeting not only India's energy transition targets, but also complying with and setting global benchmarks.

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Repositioning India and the Strategic Role of CMAs

How Cost & Management Accountants Can Shape India's Next Leap of Economic Leadership

Abstract

India's economic transformation demands stronger cost discipline, governance quality, sustainability integration, and data-driven decision-making. This article explores how Cost and Management Accountants (CMAs) can serve as strategic enablers of India's growth by strengthening manufacturing competitiveness, public sector efficiency, MSME development, ESG integration, and digital finance transformation. It highlights the evolving role of CMAs from traditional cost specialists to strategic business partners who support value creation, resilience, and long-term competitiveness in a rapidly changing global environment.



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Introduction: India at an Inflection Point

India today stands at a defining moment in its economic trajectory. With a GDP surpassing USD 4 trillion, a young workforce, a booming entrepreneurial ecosystem, and an unprecedented wave of digital public infrastructure, the world's most populous nation is preparing for its next economic leap. Global analysts, investors, and policymakers are no longer asking whether India will rise, but *how fast* and *how sustainably* it will do so.

Yet, as India eyes its ambition of becoming a USD 7 trillion economy by 2030 and a top-three global power, the country faces a critical challenge: how to grow with efficiency, discipline, transparency, and resilience in a world increasingly shaped by geopolitical volatility, technology disruption, sustainability imperatives, and shifting consumer expectations.

This is where **Cost and Management Accountants (CMAs)** play a transformative role. Traditionally seen as cost experts, CMAs today are uniquely positioned to become **strategic architects of India's economic repositioning**, helping businesses scale efficiently, governments improve fiscal outcomes, and industries compete globally.

This article explores how India is repositioning itself in the global landscape—and how CMAs can leverage their distinctive capabilities to shape that journey.

India's Repositioning: A Multi-Dimensional Transformation

India's economic evolution is no longer linear. It is multi-speed, multi-sectoral, and structurally different from the earlier decades. Five shifts define this transformation:

1. From Cost Competitiveness to Value Leadership

India has long benefited from a cost advantage—affordable labour, frugal engineering, and competitive services. But global markets today demand more than cost efficiency:

- Value-added manufacturing
- Predictable quality
- Technology-intensive production
- Supply chain reliability
- ESG compliance

India's shift toward sectors such as semiconductors, EVs, pharmaceuticals, defence manufacturing, and green energy reflects a clear move from **cost arbitrage to value creation**.

CMAs, with their deep insights into value engineering, process optimization, product costing, and cost-to-serve analysis, are essential to enabling this shift.

2. A Move from Domestic Consumption to Global Export Power

India's export capabilities—both manufacturing and services—are becoming central to economic strategy. Programs such as **PLIs (Production-Linked Incentives)**, **Make in India**, and **Gati Shakti** have set the stage for India to become a global production hub.

However, the success of this vision depends on:

- Competitive cost structures
- Efficient resource utilisation
- Transparent pricing models
- Global benchmarking
- Continuous improvement

These are core strengths of the CMA profession. CMAs can bring discipline and strategic thinking to help Indian industries become export-ready, cost-competitive, and globally certified for excellence.

3. Digital Public Infrastructure: India's Unique Advantage

The combination of **Aadhaar**, **UPI**, **ONDC**, **Account Aggregator**, **India Stack**, and **digital health/education ecosystems** has created a digital foundation unmatched in scale.

This opens new possibilities:

- Precision subsidies
- GST optimisation
- Real-time cost analysis
- Predictive financial modelling
- Digital audits
- AI-driven cost management systems

CMAs who embrace **data analytics**, **business intelligence**, **AI-enhanced costing**, and **digital finance transformation** can position themselves as leaders of the next-generation financial ecosystem.

4. Sustainability, Circular Economy & ESG Integration

India's commitment to achieving **Net Zero by 2070** demands unprecedented transformation in:

- Energy utilisation
- Waste reduction
- Resource optimisation
- Green finance
- Carbon accounting

ESG is not only a compliance requirement—it is becoming a competitive advantage.

This is a natural extension of the CMA discipline. Cost accountants already understand lifecycle costing, resource efficiency, long-term impact assessment, and performance measurement. With ESG integrated into their skillset, CMAs can become key navigators of sustainable development.

5. Governance, Transparency & Trust

As India integrates deeper with global capital markets, governance becomes paramount. Investors expect:

- Real-time transparency
- Fraud prevention
- Accurate valuation
- Robust risk management
- Ethical reporting
- Data-driven governance

CMAs' professional ethics, rigorous training, and analytical capabilities make them vital partners in strengthening trust across corporate India.

The Strategic Role of CMAs: Beyond Traditional Boundaries

Cost and Management Accounting in India is undergoing a major repositioning. CMAs are no longer limited to costing or tax advisory—they are evolving into **strategic business partners**.

Here are the ten pivotal roles CMAs can play in shaping India's future.

1. Architects of Cost Competitiveness & Value Engineering

Indian companies must produce world-class products at globally acceptable prices. CMAs bring unique strengths:

- Accurate product costing
- Target costing
- Activity-based costing
- Throughput and lean costing
- Cost-benefit analysis
- Inventory and supply chain optimisation

This helps companies build sustainable cost advantages without compromising quality.

2. Catalysts of Manufacturing Excellence

With India's manufacturing ambition accelerating, CMAs can:

- Benchmark production efficiency
- Map cost drivers

- Enable Industry 4.0 cost analytics
- Conduct capacity utilisation analysis
- Support capital investment decisions

CMA become essential partners for sectors such as defence, EVs, electronics, pharma, FMCG, and heavy engineering.

3. Leaders in Government & Public Sector Efficiency

Government departments increasingly rely on financial analytics to improve welfare outcomes and public spending. CMAs are uniquely suited for:

- Cost audit
- Public expenditure reviews
- Outcome budgeting
- PPP viability analysis
- Infrastructure pricing models
- Social program efficiency evaluation

This aligns directly with India's objectives of better governance and efficient public service delivery.

4. Transformers of MSME Competitiveness

India has over 63 million MSMEs—but most lack structured financial guidance.

CMAs can help MSMEs:

- Implement cost control
- Improve working capital
- Optimize pricing
- Improve compliance
- Adopt digital tools
- Access credit through data-driven financials

This MSME transformation is critical to India's growth aspirations, and CMAs can become the trusted partners of every growing enterprise.

5. Strategists for Corporate Finance & Business Growth

CMAs today are leading roles such as:

- CFO
- FP&A head
- Strategy lead
- Profitability manager
- Business controller
- Risk and compliance head

Their analytical training helps organizations:

- Build financial strategies
- Evaluate investment decisions

- Improve profitability
- Support mergers & acquisitions
- Navigate regulatory frameworks

6. Pioneers of Sustainability, ESG, and Green Costing

With global capital increasingly flowing through ESG-compliant channels, Indian companies need professionals who understand the cost and impact of sustainability initiatives.

CMAAs can lead in:

- Carbon costing
- Circular economy modelling
- ESG reporting frameworks
- Resource efficiency analytics
- Lifecycle and environmental costing

This directly strengthens India's green competitiveness.

7. Data-Driven Decision Makers

The CMA of today is not just a financial professional—they are a **data strategist**.

With skills in:

- Power BI
- AI-supported forecasting
- Predictive analytics
- Process mining
- Integrated business planning

CMAAs can transform traditional finance processes into real-time decision ecosystems.

8. Champions of Governance & Transparency

High-quality governance is India's differentiator in global markets. CMAAs support:

- Cost audit excellence
- Internal controls
- Anti-fraud systems
- Ethical reporting
- Risk management frameworks

Their presence in boardrooms strengthens India's global reputation for corporate responsibility.

9. Enablers of Startup and Digital Economy Growth

India's startup ecosystem—now among the world's largest—requires rigorous financial planning.

CMAAs can support startups with:

- Unit economics
- Scenario modelling
- Cash-burn optimisation
- Pricing strategy

- Compliance frameworks
- Investor reporting

This elevates the financial discipline of India's innovation ecosystem.

10. Advisors for Globalization & Export Strategy

As Indian companies expand abroad, CMAs can guide:

- Transfer pricing logic
- Export costing
- Export incentive optimisation
- Foreign market pricing
- Global cost benchmarking
- Supply chain financial optimisation

Their insights help Indian companies compete on a global stage.

How CMAs Must Reposition Themselves for Maximum Impact

For CMAs to fully contribute to India's growth ambition, the profession itself must embrace new capabilities. Here are the five imperatives for CMAs to reposition themselves for strategic leadership.

1. Deepening Technology & Analytics Expertise

CMAs must develop hands-on skills in:

- Business intelligence platforms
- AI-enhanced cost modelling
- ERP and digital finance ecosystems
- Process automation

Technology is no longer optional—it is now the backbone of financial and operational excellence.

2. Building ESG and Sustainability Specialization

Training in environmental costing, carbon markets, CSR analytics, and ESG reporting will make CMAs invaluable to businesses transitioning to greener models.

3. Enhancing Strategic Thinking & Decision Sciences

CMAs should evolve into business partners who understand:

- Competitive strategy
- Consumer behaviour
- Global supply chain dynamics
- Emerging sector trends
- Board-level decision frameworks

4. Becoming Value-Centric, Not Only Cost-Centric

The future CMA thinks beyond cost control and contributes to:

- Revenue growth
- Margin expansion

- Product innovation
- Asset productivity
- Business model transformation

5. Strengthening Communication & Leadership

To influence at scale, CMAs must improve:

- Executive communication
- Decision storytelling
- Board presentation skills
- Stakeholder influence

This helps them move from technical experts to organizational leaders.

Conclusion: CMAs—Strategic Partners in India’s Next Leap

India’s growth story is no longer about numbers—it is about **quality, competitiveness, resilience, and global leadership.**

CMAs are uniquely positioned to contribute to each of these pillars by:

- Engineering cost competitiveness
- Strengthening governance
- Driving sustainability
- Accelerating digital transformation
- Supporting manufacturing and export expansion
- Enabling financial discipline
- Guiding strategic decisions

As India repositions itself to become a global economic powerhouse, the CMA profession must step forward with a renewed sense of purpose and strategic ambition, their holistic understanding of cost, value, governance, and performance, are uniquely prepared to support this transformational era.

As the nation moves forward, CMAs must step into roles that influence policy, guide boardrooms, and shape the competitive advantage of India Inc.

The coming decade belongs to professionals who can navigate complexity with clarity, integrate financial intelligence with strategic foresight, and help organizations make disciplined, high-impact decisions.

CMAs are not just accountants—they are catalysts of India’s economic future.

The future belongs not to those who observe change — but to those who lead it.

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Role of CMAs in Rise India Landscape

Abstract

Cost and Management Accountants (CMAs) play a pivotal role in strengthening India's economic growth trajectory under the RISE India framework by enhancing cost efficiency, financial discipline, and strategic decision-making across sectors. This article examines how CMAs contribute to repositioning Indian enterprises for global competitiveness through advanced cost management techniques, budgeting, forecasting, and data-driven strategic analysis. It highlights their critical role in improving operational efficiency, optimizing supply chains, leveraging digital technologies, and supporting initiatives such as *Make in India* and *Digital Bharat*. The study also emphasizes the contribution of CMAs in empowering Micro, Small and Medium Enterprises (MSMEs) by facilitating access to finance, ensuring regulatory compliance, and enabling adoption of digital financial systems. Further, the article discusses the role of CMAs in attracting domestic and foreign investment by ensuring transparency, robust governance, risk management, and sustainable value creation, including ESG considerations. Overall, the paper positions CMAs as strategic partners and value managers who are integral to achieving sustainable economic development and India's vision of becoming a developed nation (Viksit Bharat) by 2047.



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Cost and Management Accountants (CMAs) could play a critical role in **repositioning, intensifying, strengthening, and enhancing** India's economic landscape by driving efficiency, strategic decision-making, and financial accountability across various sectors, from Micro, Small, and Medium Enterprises (MSMEs) to large corporations and government bodies.

1. Repositioning India for Global Competitiveness:

CMAs could help in repositioning Indian businesses in the global market by focusing on **cost competitiveness and value creation** through effective techniques, methods and control which, inter alia, include the following:

- **Cost Analysis and Control:** CMAs analyze the direct and indirect costs involved in the production process, from raw materials to overheads. They implement techniques such as Activity-Based Costing (ABC) to accurately allocate costs to specific products and activities, providing a clear picture of where money is being spent and identifying areas of inefficiency or waste.

- **Budgeting and Forecasting:** CMAs develop detailed financial models and budgets based on historical data, market trends, and production demands. They compare actual performance to budgeted targets through variance analysis to identify deviations and recommend corrective actions, ensuring financial discipline and stability.
- **Strategic Decision Making:** CMAs provide management with the data-driven insights needed to make informed strategic decisions. This includes analysis for:
 - ▲ Pricings strategy for products
 - ▲ “Make or buy” decisions (whether to manufacture a component in- house or outsource it).
 - ▲ Capital investment analysis for Machinery and equipments
 - ▲ Product portfolio reviews to focus on the most profitable goods.
- **Enhancing Operational Efficiency:** By working with various departments, CMAs help streamline processes, reduce bottlenecks, and eliminate waste in materials, time, and manpower. They support practices like lean manufacturing and continuous improvement (Kaizen) to boost productivity without compromising quality.
- **Supply Chain and Inventory Management:** CMAs play a crucial role in optimizing the supply chain by analyzing procurement costs, negotiating favorable terms with suppliers, and managing inventory levels to avoid stock outs or excess storage costs.
- **Risk Management and Compliance:** They identify and mitigate financial and operational risks, such as currency fluctuations or supply chain disruptions. CMAs also ensure that cost accounting practices adhere to relevant accounting standards and regulatory requirements, safeguarding organizational integrity.
- **Leveraging Technology:** Modern CMAs utilize advanced tools like ERP systems, data analytics software, and AI to improve the accuracy of cost forecasting, automate routine tasks, and provide real-time business insights, making the manufacturing process more agile and responsive.
- **Cost Competitiveness & Efficiency:** CMAs use advanced techniques to minimize production costs, reduce waste, and align costs with revenue, vital for price- sensitive markets.
- **Boosting MSME Growth:** CMAs help Micro, Small, and Medium Enterprises with digital adoption (ERP, e-invoicing), compliance, and accessing government schemes (PMEGP, MUDRA), increasing their success rates.
- **Digital Transformation (Digital Bharat):** They facilitate the shift to digital finance, implement ERPs, ensure GST compliance, and train entrepreneurs in financial literacy, making digital growth sustainable.
- **Value Creation:** Through better budgeting, performance measurement, and resource optimization, CMAs directly contribute to profitability and long-term value preservation for firms.

CMAs are thus seen as central to India’s vision of becoming a developed nation (**Viksit Bharat by 2047**), uniquely positioned to drive transformation through cost management and strategic finance in every sector.

In essence, CMAs are strategic partners ensuring financial discipline, fostering innovation, and enabling sustainable growth across India’s diverse economic landscape. By using advanced costing techniques and control measures CMAs could help in identifying inefficiencies, reduce waste, and optimize resource utilization, and bring out operation efficiency, cost control and cost reduction and supports informed critical business decisions which is crucial for the success of initiatives like “Make in India”. These cost optimization strategies could contribute to the GDP and help achieve a sustainable competitive advantage for the nation as a whole

2. Attracting Investment:

Cost and Management Accountants (CMAs) in India could attract investment by fostering transparency, efficiency, and financial viability within companies, which in turn builds investor confidence.

Their key roles include:

- **Ensuring Transparency and Confidence:** CMAs conduct reliable cost audits and ensure transparent financial reporting, which is crucial for building trust with both domestic and foreign investors. This enhanced credibility makes organizations more attractive for investment.
- **Evaluating Investment Opportunities:** CMAs assess the financial viability and long-term impact of potential investments using techniques like cost-benefit analysis. This data-driven approach helps management make effective decisions on investments and expansion, guiding capital toward profitable ventures.
- **Driving Cost Competitiveness:** By identifying ways to reduce waste and improve efficiency in operations, CMAs help Indian businesses become more competitive in both domestic and international markets. Cost optimization is especially vital in price-sensitive markets.
- **Supporting Strategic Decisions:** CMAs provide expert inputs and data-driven insights for strategic decision-making, helping businesses navigate complex environments and achieve sustainable growth. This includes guidance on capital structure, product mix, and risk mitigation.
- **Improving Access to Finance for MSMEs:** For Micro, Small, and Medium Enterprises (MSMEs), CMAs prepare accurate financial reports and audit trails, making them more credible to lenders (banks, NBFCs) and improving their access to essential funding and government schemes.
- **Ensuring Regulatory Compliance:** CMAs ensure adherence to a complex landscape of tax laws (including GST), cost audit rules, and other government policies. This mitigates legal and financial risks, providing a stable and compliant business environment that investors favor.
- **Advocating for Sustainable Growth:** CMAs are involved in evaluating the financial impact of environmental, social, and governance (ESG) criteria and sustainable practices (e.g., energy efficiency, waste management). Companies demonstrating a commitment to sustainability are increasingly preferred by modern investors.

In essence, CMAs could act as essential contributors to a nation's development by ensuring efficient resource management and promoting financial stability, thus creating a conducive environment for both domestic and foreign investment crucial for India's economic progress. By conducting thorough cost-benefit analyses and assessing the financial viability of projects, CMAs help organizations present a credible financial picture to attract both domestic and foreign investment, which is vital for infrastructure and economic progress.

3. Intensifying Growth and Development

CMAs also could intensify economic growth by acting as strategic partners in business management and ensuring effective allocation of resources.

- **Empowering MSMEs:** CMAs could be instrumental in the growth MSME sector—the backbone of the Indian economy—by bridging the gap between small businesses and formal finance, improving their creditworthiness, and helping them manage working capital efficiently.
- **Driving Digital Transformation:** They could support the “Digital Bharat” initiative by guiding businesses in adopting digital accounting systems, ERP solutions, and e-invoicing, ensuring digital transformation is both efficient and financially sound.
- **Strengthening Corporate Governance and Finance :** CMAs strengthen the financial foundations of organizations and the broader economy through robust governance and compliance.
- **Implementing Strong Internal Controls:** They design and implement strong internal control systems,

conduct internal and cost audits, and ensure compliance with regulatory requirements (like GST and the Companies Act), thereby building investor confidence and mitigating financial risks.

- **Enhancing Financial Accountability:** The government has established the Indian Cost Accounts Service (ICOAS) at par with other Class-I cadres (like IAS) to advise on cost pricing and fiscal policies, highlighting the importance of CMAs in public financial management.
- **Strategic Planning:** They move beyond traditional accounting to focus on forecasting, budgeting, performance evaluation, and risk management, which serves as the backbone for high-level business decisions such as mergers, acquisitions, and expansion strategies.
- **Resource Optimization:** CMAs' analytical skills help organizations make the most rational decisions to reduce resource consumption, maximize profits, and achieve a balance between economic, environmental, and social performance (ESG factors).
- **Enhancing Strategic Decision-Making:** CMAs help in strategic and quality decision-making by providing actionable, data-driven insight to management for resource allocation, investment, and navigating crises, moving businesses from cost control to value creation.

In essence, CMAs are value managers and catalysts for transformation, equipped with techno-commercial skills that enable Indian businesses to navigate the complexities of the modern global business environment and drive the nation towards its development goals.

In nutshell, Role of CMAs are crucial for India's economic growth RISE India) by driving cost efficiency, digital transformation (Digital Bharat), resource optimization, and strategic financial planning, especially for MSMEs, ensuring competitive advantage and sustainability through skills in costing, budgeting, risk management, and implementing government schemes like MUDRA, boosting sector growth with better financial health and attracting higher salaries reflecting their strategic value.

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Building India's Competence Engine for the Next Decade

Abstract

India is entering a decade that will reward skill, discipline, and professional competence. This article explains how CMAs can strengthen organisational capability by improving costing insight, operational discipline, digital fluency, and trust in financial systems. The focus is on practical, real-world gaps that exist today and how the CMA profession can help India move faster, work smarter, and grow sustainably.



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Building India's Competence Engine for the Next Decade

India stands at a point where competence, not only capital, will drive the next big leap. Global companies are expanding their presence in India. Start-ups are maturing. Manufacturing is rising. Government projects are becoming bigger and more complex. Yet, many Indian organisations—large and small—still struggle with the same basic questions:

- Are we using our resources efficiently?
- Are our costs reliable and traceable?
- Are we capable of scaling without losing control?
- Do we have people who understand operations and not just accounts?
- Are our decisions based on real numbers or assumptions?

This gap between ambition and capability is now visible and urgent. Strengthening competence and capability across the country is not just a policy need—it is a national priority.

This is exactly where the Cost and Management Accounting profession fits in.

1. India's Competence Challenge: An Uncomfortable Reality

Over the last five years, India has grown fast. But growth has also revealed several uncomfortable truths:

1.1 Indian companies still rely heavily on intuition over data

Many businesses still take decisions based on past habits, market gossip, or incomplete information. Cost sheets are often outdated.

Budgets are copied from previous years.
Capex proposals lack proper cost-benefit analysis.

1.2 Operational inefficiency remains high

Despite new technology and automation, wastage, idle time, rework, and poor process discipline continue in many sectors—manufacturing, logistics, healthcare, retail, and government projects.

1.3 Cost structures are poorly understood

A large number of MSMEs do not know their true cost of production.
Pricing decisions ignore overhead allocation.
Many companies underprice to survive and overprice when demand is high.

1.4 Compliance is increasing but competence is not

India has introduced Ind AS, BRSR, ESG frameworks, and multiple digital compliances. But many organisations lack people who understand the intent behind these regulations.

1.5 Technology adoption is uneven

ERP systems are installed but underutilized.
Reports are available but not interpreted.
Automation exists, but accountability does not.
These are capability problems.
These are competence problems.
And these are problems CMAs are trained to solve.

2. Where CMAs Fit: The Competence Builders India Needs

The CMA profession has always focused on cost, efficiency, and performance. But the current environment demands something more.

India needs **CMA-led capability building** in four clear areas:

- 1. Cost Accuracy & Insight**
- 2. Operational Discipline**
- 3. Digital & Analytical Readiness**
- 4. Trust, Governance & Long-Term Thinking**

Let us explore each area with real Indian context.

3. Cost Accuracy: India's Most Underrated Competitive Advantage

3.1 India is competing globally on cost—not just on scale

The world is looking at India as a competitive manufacturing hub.
But competitive manufacturing requires accurate cost visibility.
Unfortunately, many factories still calculate cost the same way they did 20 years ago.

3.2 CMAs can bridge this gap by enabling

- Proper cost allocation based on drivers
- More accurate product-level profitability
- Evidence-driven pricing
- Realistic standards for labour, overhead, and machine time
- Preventive cost control instead of post-mortem analysis

3.3 Case Example: Indian exporters

A textile exporter recently realized that one product line was profitable only because of an incorrect overhead distribution. A simple review by a CMA saved the unit from expanding a loss-making product.

These are not theoretical contributions—these are business-saving impacts.

4. Bringing Operational Discipline into the Indian Work Culture

One of India's biggest challenges is inconsistent operational discipline—especially in MSMEs and mid-sized organisations.

4.1 The Indian pattern

- Processes exist, but not followed daily.
- SOPs exist, but not updated.
- Daily monitoring happens, but root cause analysis does not.
- Teams work hard, but rarely work systematically.

4.2 CMAs can strengthen operational capability by

- Setting measurable performance indicators
- Conducting variance analysis that leads to action
- Ensuring operations and finance speak the same language
- Driving cost-to-output tracking
- Creating accountability frameworks

4.3 Practical Example: A mid-sized chemical unit

In many mid-sized manufacturing units, introducing daily wastage dashboards has been observed to reduce wastage significantly within a few months — not through cost cutting, but through better discipline and monitoring.

5. Digital & Analytical Capability: The New Professional Battleground

India is adopting technology faster than ever.

But technology without analytical competence creates chaos, not progress.

5.1 The common Indian experience

ERP systems have dashboards.

Management gets data.

But decisions still remain circular because:

- Reports are not understood
- No one knows which metrics matter
- Data quality is weak
- Teams use Excel manually even when automation exists

5.2 CMAs can lead India's digital capability development

- Designing cost analytics
- Creating dashboards that reflect operations
- Ensuring data integrity
- Linking cost behaviour with forecasts
- Using simple tools to improve decision-making

5.3 Why CMAs are naturally suited

Because they understand both operations and numbers.

Digital fluency becomes powerful only when combined with process understanding.

6. Strengthening Trust: The Foundation of Leadership

India's economy is expanding.

But trust remains a fragile component in many organisations.

6.1 Trust gaps in Indian companies today

- Financial reports do not always reflect operational truth
- Cost transparency is limited
- ESG reporting is sometimes treated as formality
- Budgets are inflated intentionally
- Performance numbers lack consistency

6.2 CMAs strengthen trust through

- Transparent costing
- Fact-based reporting
- Balanced evaluation of performance
- Ethical budgeting practices
- Strengthening controls without slowing business

6.3 ESG & BRSR: A new opportunity

India's regulatory shift is pushing companies towards sustainability and responsibility.

CMA expertise in measurement, comparability, and process discipline can significantly improve the quality of sustainability reporting.

This is not just compliance.

This is a new capability that Indian companies must develop.

7. The “Capability Lens” for India’s Future

For India to rise, it needs a new way of evaluating performance—a capability lens.

This lens asks three simple questions:

1. Are we competent in what we do?

This goes beyond qualification—it includes process maturity, cost awareness, data literacy, and discipline.

2. Can we scale what works?

Growth is meaningful only if the systems can handle it.

3. Are we future-ready?

Are we prepared for global competition, regulatory change, digital transformation, and financial transparency?

CMA’s can institutionalise this capability lens

- By building cost systems that highlight strengths and weaknesses
- By designing internal performance frameworks
- By linking financial numbers to operational truth
- By creating learning models within organizations

When competence becomes measurable, performance becomes predictable.

8. India’s Workforce Readiness: A National Competence Gap

India’s youth is energetic, ambitious, and digitally active.

But industry leaders across sectors highlight a similar problem:

“Graduates lack practical competence.”

This gap shows up in:

- Poor analytical skills
- Weak understanding of cost and process
- Inability to read financial impact
- Lack of discipline in documentation

CMA professionals can lead capability building through

- Skill-based training in organisations
- Process literacy programs
- Cost-and-profitability workshops
- Industry-specific costing systems
- Hands-on dashboards for decision-making

CMA-driven capability development can transform India’s workforce quality.

9. The Indian Government's Push—A New Opening for CMAs

Government programs like:

- Make in India
- Atmanirbhar Bharat
- PLI Scheme
- National Logistics Policy
- Gati Shakti
- Digital Public Infrastructure

all require high-quality costing, operational discipline, and compliance.

Where CMAs can directly contribute

- Cost analysis for government projects
- Performance auditing
- Public sector efficiency
- Sustainability reporting
- Risk-based decision-making
- Cost-benefit evaluations of schemes

The government's move towards transparency depends directly on professional competence.

10. A Roadmap to Strengthen India's Capability Through CMAs

Here is a practical roadmap that Indian businesses and CMAs can jointly implement:

Step 1: Build a Culture of Cost Awareness

Start with simple, easy-to-understand cost sheets.

Ensure every department knows its cost impact.

Step 2: Improve Process Discipline

SOPs must be visible, accessible, and reviewable.

Daily checklists should drive operations.

Step 3: Introduce Practical KPI (Key Performance Indicator) Systems

Avoid complicated metrics.

Focus on throughput, wastage, productivity, and quality.

Step 4: Strengthen Decision Support Systems

Move from instinct-based decisions to data-backed decisions.

Step 5: Train Teams on Cost Behaviour & Analysis

Not just finance—production, sales, HR, procurement must understand cost.

Step 6: Enable Digital Transformation with Understanding

Technology is useful only when people understand the meaning behind the numbers.

Step 7: Integrate ESG & BRSR into Decision Making

Make sustainability a part of costing and planning—not an afterthought.

Step 8: Build Long-Term Thinking

Encourage organisations to look beyond quarterly numbers.

11. Conclusion: India Will Rise on Competence, and CMAs Will Build It

India's economic rise will be shaped not only by ambition, resources, or investments. It will be shaped by **competence**.

Competence in cost.

Competence in execution.

Competence in discipline.

Competence in data.

Competence in governance.

Competence in sustainability.

This is the decade where India must build its **competence engine**.

And CMAs are uniquely positioned to drive this transformation.

By strengthening capability at every level—enterprise, workforce, process, and governance—CMAs can help India rise with confidence and credibility.

India's next leap will not be accidental.

It will be **competence-driven**.

And the CMA profession will be at the heart of that journey.

CMA's: The "VISHWAKARMA" of Modern Indian Economy

Abstract

India is navigating a "poly-crisis" of geopolitical volatility by adopting the **RISE framework**—Reposition, Intensify, Strengthen, and Enhance—to achieve a \$5 trillion economy. This paper positions **Cost and Management Accountants (CMAs)** as "Value Creators" essential to this transition. CMAs drive **commercial diplomacy** by providing certified cost data for international trade negotiations and repositioning India's global competitiveness. They **intensify** growth by ensuring the financial viability of India's USD 10.1 trillion green energy goals and **strengthen** the manufacturing sector, particularly semiconductors, through lifecycle and target costing. Finally, through **Cost Accounting Standards (CAS)**, CMAs **enhance** economic efficiency and protect consumers from "gold plating," serving as the blueprint for a resilient, developed India.



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India stands at the threshold of becoming a global economic superpower, targeting **500 GW of green energy by 2030** and **Net Zero by 2070**. Amidst global geopolitical polarization, the nation must embrace the **RISE framework**—Reposition, Intensify, Strengthen, and Enhance. This article explores how Cost and Management Accountants (CMAs) serve as the critical engine in this journey, driving value creation, enforcing robust financial and cost reporting through Ind AS and CAS, and steering India toward sustainable global leadership. The global economic landscape is shifting. We are witnessing a "Poly-crisis"—a world fractured by geopolitical tensions and trade wars. Yet, in this volatility lies India's greatest opportunity. The theme "**RISE India**" is a strategic imperative. As the country moves toward a \$5 trillion economy, the role of the Cost and Management Accountant (CMA) has evolved from a traditional "number cruncher" to a "Value Creator." We are the architects who must **Reposition** India's resilience, **intensify** our green goals, and strengthen our economic borders.

Repositioning: CMAs in International Relations & Economic Forums:- In an era of global polarization, economics has become the new language of diplomacy. As India asserts its position in **International Economic Forums** like the **G20** and **WTO**, the role of the CMA shifts to the forefront of "**Commercial Diplomacy**." CMAs are the custodians of the "Cost of Production"—a metric that is the backbone of international trade negotiations. Whether it is defending Indian industries against **Anti-Dumping Duties** or proving compliance with **WTO Subsidies Agreements**, it is the CMA's certified data that strengthens India's voice at the negotiating table. By

analysing the cost impact of tariffs, Free Trade Agreements (FTAs), and supply chain shifts (like "China Plus One"), CMAs provide the strategic intelligence that government bodies need to formulate robust foreign trade policies. We do not just audit books; we arm the nation with the data required to win global economic disputes and reposition India as a fair, transparent, and competitive global partner.

Intensifying Growth Through Green Energy India's vision is bold: achieving **500 GW of non-fossil fuel capacity by 2030** and **Net Zero emissions by 2070**. This transition requires a staggering investment estimated at **USD 10.1 Trillion**. This is where the CMA becomes indispensable. Who will ensure the financial viability of these massive solar and wind projects? CMAs are central to this green revolution. We audit the **Production Linked Incentive (PLI)** schemes that drive solar manufacturing. We perform the complex cost-benefit analysis between fossil fuels and renewables. By managing the economics of **Carbon Credits** and green financing, CMAs ensure that India's path to 500 GW is not just an environmental dream, but a financial reality.

Strengthening the Core: The Semiconductor & Manufacturing Revolution: India is witnessing a manufacturing renaissance. With the **India Semiconductor Mission (ISM)** approving projects worth nearly **₹1.6 Trillion in 2025 alone**, we are transitioning from an importer to a global hub for chip manufacturing. In this high-stakes sector, the **CMA's role is "Techno-Commercial."** **Semiconductor manufacturing involves microscopic margins and massive capital expenditure.** CMAs are crucial for Lifecycle Costing and Target Costing—ensuring that chips "Made in India" are price-competitive against global giants. Beyond chips, as the National Manufacturing Mission drives the sector to **contribute 25% of GDP** by 2030, CMAs are the guardians who monitor the input-output ratios. We ensure that the capital infused into PLI schemes translates into actual tangible output, strengthening India's industrial sovereignty.

Enhancing Competitiveness: - Cost Accounting Standards (CAS) in a Dynamic Economy-In a dynamic Indian system, "Cost" is no longer just an expenditure; it is a strategic tool. The **Cost Accounting Standards (CAS)** and **Cost Auditing Standards** issued by the Institute are not mere compliance checklists—they are the recipe for economic efficiency. In regulated sectors like power, petroleum, and pharmaceuticals, CAS ensures **"Fair Pricing"** for the common man while protecting the viability of the industry. The rigorous application of **Cost Auditing Standards** prevents the "Gold Plating" of projects (artificially inflating costs). By providing a true and fair view of the **Cost of Service** and **Capacity Utilization**, CMAs enable the government and regulators to fix prices that are competitive yet sustainable. In an inflation-prone world, the discipline of Cost Audit is the firewall that protects the Indian consumer and enhances the competitiveness of Indian Industry.

The path to a developed India lies in our ability to execute the RISE strategy effectively. Whether it is navigating a polarized geopolitical map through economic diplomacy or managing the trillion-dollar shift to green energy, the CMA holds the blueprint. We are not just supporting businesses; we are building a resilient nation. The time for the profession to lead is now. Let us rise to the occasion.

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Transforming Organizational Capabilities and Leadership in Manufacturing and Services: A CMA Perspective

Abstract

The adoption of digital technologies has substantially transformed leadership roles and value creation processes in both manufacturing and service sectors. The present conceptual study examines how organizational capabilities can be transformed in the digital era, emphasizing the strategic role of Cost and Management Accounting (CMA) tools. An integrated framework is proposed showing how CMA-enabled technological, human, process, and leadership capabilities drive manufacturing and service leadership and sustain competitive advantage.

This paper aims to examine how CMA tools facilitate the transformation of organizational capabilities and how such transformation enables leadership in both manufacturing and service sectors in the digital era. The study proposes a conceptual framework linking CMA tools to four key capabilities – i.e., technological, human, process, and leadership - and highlights their collective contribution to manufacturing and service leadership.



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1. Introduction:

Rapid technological advancement, intensifying global competition, and continuously evolving customer expectations have fundamentally altered the contemporary business environment. Digital technologies are redefining how organizations design processes, manage resources and deliver value. Both manufacturing and service organizations are experiencing profound structural and strategic shifts as a result of these changes. The design and operation of business models are dependent on a firm's capabilities. The crafting, refinement, implementation and transformation of business models are outputs of high-order (dynamic) capabilities. (Tece, D. J. 2018)¹

Smart factories, digitally integrated supply chains and real-time performance monitoring systems are being increasingly adopted by Manufacturing firms so as to improve efficiency, flexibility and quality. Simultaneously, service organizations are leveraging digital platforms, customer analytics and service automation to ensure

¹ Teece, D. J. (2018). Business models and dynamic capabilities. Long Range Planning, 51(1), 40–49. <https://doi.org/10.1016/j.lrp.2017.06.007>

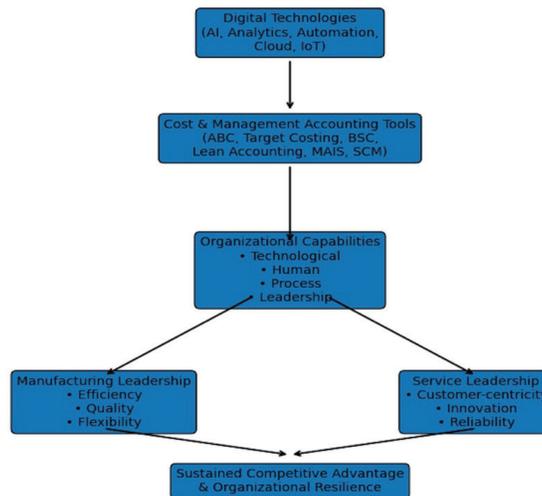
personalized, reliable and innovative service delivery. In this context, leadership effectiveness depends not only on technological adoption but also on the organization’s ability to align people, processes, and strategy with digital initiatives.

Organizational capabilities have, therefore, emerged as a central determinant of sustainable competitive advantage. Capabilities such as technological readiness, human capital development, process agility and strategic leadership enable firms to respond effectively to disruption and uncertainty. However, these capabilities do not evolve automatically with technology adoption; they must be deliberately developed and integrated. Cost structure changes are affected by developments in how data, information and knowledge can be utilised. (Bhimani & Willcocks)²

Cost and Management Accounting (CMA) tools play a significant yet often under-recognized role in organizational transformation. While traditionally focused on cost control and budgeting, contemporary CMA tools increasingly support strategic decision-making, performance management and value creation in digitally driven organizations. By translating large volumes of digital data into relevant managerial information, CMA tools facilitate the alignment of operational activities with strategic objectives. This ultimately develops the organizational capabilities. Such capability transformation enhances leadership in both manufacturing and service sectors in the digital era. Accordingly, this study proposes a conceptual framework linking CMA tools with the four core capabilities i.e., technological, human, process and leadership; and highlights their collective role in fostering the organizational leadership.

2. Conceptual Framework: CMA-Enabled Capability Transformation:

The proposed conceptual framework positions CMA tools as the analytical backbone of digital transformation. Digital technologies generate extensive real-time data related to costs, operations, customers and performance. CMA tools and Management Accounting Information Systems (MAIS) transform such data into actionable insights for planning, controlling and strategic decision-making. Through this process, CMA tools strengthen the four interrelated organizational capabilities.



2.1 Technological Capability:

This refers to an organization’s ability to adopt, integrate and effectively utilize digital technologies.

As software and cloud-based operating systems become integral to products, new product-development principles emerge, manufacturing components and processes change, and IT security becomes the job of every function.

² Digitisation, ‘Big Data’ and the transformation of accounting information
Alnoor Bhimani & Leslie Willcocks Pages 469-490 | Published online: 21 May 2014

(Porter, M. E., & Heppelmann, J. E., 2015)³

Investments in automation, analytics and digital platforms require rigorous evaluation to ensure economic and strategic viability.

CMA tools such as Activity-Based Costing (ABC), Target Costing, Strategic Cost Management and MAIS enhance cost transparency and support technology-related decision-making.

ABC helps organizations understand the cost implications of complex, technology-intensive processes, while Target Costing ensures that digitally enabled products and services meet market-driven cost constraints. Strategic Cost Management supports long-term alignment between digital investments and competitive strategy. Collectively, these tools ensure that technological adoption contributes to sustainable value creation and not merely increasing operational complexity.

2.2 Human Capability

Human capability encompasses the skills, competencies and attitudes required to effectively leverage digital technologies and accounting information. In digitally transformed organizations, employees and managers must possess analytical skills, digital literacy and the ability to interpret management accounting information for decision-making.

Balanced Scorecard provides a framework to describe and communicate strategy in a consistent and insightful way. We can't expect to implement strategy if we can't describe it. While the financial domain relies on well-established frameworks such as general ledgers, income statements and balance sheets to formalize financial plans, strategy lacks a universally accepted descriptive framework. There are as many ways of describing a strategy as there are strategy theorists and methodologies. (Robert S. Kaplan & David P. Norton, 2001)⁴

CMA tools such as the Balanced Scorecard, Budgetary Control, and Cost–Volume–Profit (CVP) analysis etc support the development of human capability by linking individuals and departmental performance with organizational objectives. The learning and growth perspective of the Balanced Scorecard emphasizes skill development, continuous learning and innovation. Budgetary control systems promote accountability, while CVP analysis enhances managerial understanding of cost behaviour and profitability. Human capability thus serves as the central driver that converts digital and accounting information into organizational action.

2.3 Process Capability:

This refers to the organization's ability to design, integrate and continuously improve processes to enhance efficiency, flexibility and customer focus. Digital transformation often requires the redesign of traditional processes to eliminate waste, improve responsiveness, and integrate product and service offerings.

..... the company experienced difficulties with developing new products aligned with its sustainability strategy. The company eventually stopped developing products designed to improve end users' environmental performance once it became apparent that, for the most part, its customer base disliked the increased cost of these products more than they liked their sustainability-related benefits.

(Peter Beusch, Jane, Elisabeth Frisk , Magnus Rosén , William Dilla, 2022)⁵

CMA tools such as Lean Accounting, Life-Cycle Costing, Standard Costing, and ABC play a critical role in process transformation. Lean Accounting supports continuous improvement by focusing on value streams rather than isolated cost centres. Life-Cycle Costing enables long-term evaluation of costs across the entire product or service life, supporting sustainability-oriented decisions. Standard Costing and variance analysis remain relevant for performance control in automated and digitally monitored environments. These tools collectively enhance process transparency and agility.

³ Porter, M. E., & Heppelmann, J. E. (2015). How smart, connected products are transforming companies. Harvard Business Review, 93(10), 96–114.

⁴ Kaplan, R. S., & Norton, D. P. (2001). Strategy-focused organization: How balanced scorecard companies thrive in the new business environment. Harvard Business School Press.

⁵ Peter Beusch , Jane Elisabeth Frisk , Magnus Rosén , William Dilla (2022), Management control for sustainability: Towards integrated systems, Management Accounting Research Volume 54, March 2022, 100777

2.4 Leadership Capability:

Leadership capability integrates technological, human, and process capabilities and aligns them with organizational strategy. Digital-era leaders must manage uncertainty, encourage innovation and develop a culture of adaptability and evidence-based decision-making.

CMA tools such as the Balanced Scorecard, Strategic Cost Management and MAIS support leadership capability by linking operational performance with strategic objectives. The Balanced Scorecard provides a holistic view of performance, while Strategic Cost Management enables leaders to assess competitive positioning and long-term value creation. MAIS facilitates real-time reporting and strategic monitoring. Leadership capability ensures coherence across transformation initiatives and sustains momentum over time.

The interaction of these four capabilities leads to dual outcomes:

- a. **Manufacturing Leadership** characterized by efficiency, quality and flexibility, and
- b. **Service Leadership** characterized by customer-centricity, reliability, and innovation.

Together, these outcomes contribute to sustained competitive advantage and organizational resilience.

3. Role of Key Cost and Management Accounting Tools:

CMA tools serve as enablers of capability transformation in digitally enabled organizations. Activity-Based Costing improves cost accuracy in complex operations. Target Costing aligns design decisions with market expectations and profitability targets. Budgetary control and rolling forecasts enhance planning flexibility in volatile environments. CVP analysis supports short-term tactical decisions. Life-Cycle Costing facilitates long-term and sustainability-oriented decision-making. Lean Accounting promotes continuous improvement, while the Balanced Scorecard integrates financial and non-financial performance measures. Strategic Cost Management and MAIS provide the strategic and informational foundation for leadership in digital era.

The Internet and associated information technologies—such as cloud computing, blockchain, big data analytics, and artificial intelligence (AI)—together with web-based business models, including digital platforms, are rapidly reshaping digital economy and modern industries. This transformation, referred to as the fourth industrial revolution (Industry 4.0), has intensified concerns regarding the evolving role and future relevance of the accounting profession.

4. Discussion

The adoption of digital technologies does not automatically lead to leadership or sustained competitive advantage in manufacturing and service sectors. Instead, technology must be effectively embedded within a set of complementary organizational capabilities and supported by robust Cost and Management Accounting (CMA) systems. These systems provide the structure and discipline required to convert digital data into relevant managerial insights that guide strategic and operational decisions. Without such integration, digital initiatives risk remaining fragmented and underutilized.

Human capability emerges as the most critical driver of organizational transformation, as digitally skilled and analytically oriented employees are essential for interpreting accounting information and translating it into effective action. Employees must possess the ability to apply judgment and critical thinking in decision-making contexts. Moreover, the rapid pace of technological change intensifies challenges related to continuous skill development and talent acquisition. As organizations increasingly invest in digital transformation initiatives, the demand for expert professionals in data analytics, machine learning and other emerging technologies continues to rise. However, the persistent shortage of such skilled professionals poses a significant barrier to adoption, particularly for smaller firms with limited financial and training resources (*Rosmala, 2024*)⁶

⁶ Digital Transformation in Management Accounting: Towards Efficiency and Competitive Advantage, April 2024, JFBA Journal of Financial and Be-

Process capability plays a vital role in ensuring that insights generated from digital systems and CMA tools are translated into operational agility, efficiency and enhanced customer value. Well-designed processes help organizations to respond quickly to market changes while maintaining cost control and quality standards.

Leadership capability serves as the integrating mechanism that aligns human, technological and process capabilities with long-term strategic objectives. Organizations that consciously develop these capabilities in an integrated and coordinated manner are better positioned to bridge manufacturing efficiency with service innovation.

In this context, CMA tools perform a unifying function by offering a common informational language that facilitates cross-functional collaboration, strategic coherence and consistent performance evaluation across the organization.

5. Conclusion and Recommendations:

Conclusion:

Effective leadership in manufacturing and service sectors within the digital era requires a comprehensive and integrated transformation of organizational capabilities rather than isolated technological adoption. Cost and Management Accounting (CMA) tools emerge as a critical enabler in this process, as they systematically convert vast volumes of digital data into meaningful strategic and operational insights. By strengthening technological readiness, human capital competencies, process efficiency and leadership effectiveness, CMA-enabled organizations can enhance strategic clarity and operational coherence. Such integration strengthens sustained competitiveness, organizational resilience and long-term value creation, while simultaneously fostering informed decision-making, continuous performance improvement, transparency and strategic–operational alignment in increasingly complex and dynamic business environments.

Recommendations:

Organizations should proactively invest in digital, analytical, and interpretative skills across managerial levels to fully leverage advanced CMA tools. Business processes should be redesigned to enhance agility, efficiency and customer-centricity, ensuring faster responses to market changes and technological disruption. Leadership development initiatives should emphasize evidence-based decision-making, strategic thinking and cross-functional integration. CMA systems must be closely integrated with digital technologies such as analytics platforms and enterprise systems to support strategic alignment, performance monitoring and continuous capability development. Regular and systematic assessments of organizational capabilities and cost management systems are strongly recommended to guide optimal resource allocation, risk management and long-term transformation initiatives. Such practices will help organizations remain responsive to technological change, improve performance measurement and ensure the sustained realization of strategic objectives across both manufacturing and service sectors.

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Strengthening and Repositioning of CMA in a new Avtar of ADISHESHA

Abstract

"Strengthening and Repositioning" mantra outlines the strategic and welcome move for the CMA profession to break the traditional boundaries of costing and evolve themselves in an impressive way for handling better strategic and sustainable leadership roles. Cost Is a Societal Issue; opportunities are waiting for us only we have to make ourselves well equipped to grab and make ourselves leader of Costing by enhancing our capabilities as per rapid changes in global economic acceptable scenario.



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To emerge and sustain in an impressive professional leadership, we need to shed our old skin to become Adishesha CMA's. It's that's how we can carve out opportunities from globally sustainable economies and make India shine with outstanding Professional freedom of CMA's



To re-introduce ourselves is to begin with a flashback, ICAI as a statutory professional body under Indian law, first formed as a company in 1944 and later recognized by an Act of Parliament in 1959 since then we are serving the nation and as far as our branding or positioning in international market is considered by NARIC (National Academic Recognition Information Centres) CMA is equivalent to master's degree in UK and UAE as well.

Opportunities for higher studies and enhanced professional opportunities for CMA / Semi qualified professionals in UK, Middle East and other foreign jurisdictions also accepts NARIC evaluation. CMA Intermediate Qualification is also recognized by NARIC as equivalent to Bachelor's Degree in UK and

UAE. With 6 lakh + members 1 lakh+ students, 12 overseas centres.

India aspires to re-position with competitive manufacturing and sourcing destination a reliable participant in international value chain and institutionally strong economy is also in agenda of Make in India or Viksit Bharat 2047 in which CMA can play a pivotal role.

Once we talk about repositioning our brand, we should also know the challenges, in fulfilling the India’s Strategic Vision under Atmanirbhar Bharat, make in India and Viksit Bharat, challenge is to translate policy into operational outcome and as an CMA the absence of institutionalized cost intelligence limits the effectiveness of reforms.

Underutilization of CMA in policy design and implementation, there is major gap in skill and perception with in our profession as persistent perception is we are a cost record keeper or are fit for cost sheet rather than strategic advisors, as far as demand and supply ratio or absorption rate of CMA is considered it’s also a challenge.

Positioning ourselves in ESG platform is still a challenge as yet ESG is considered as compliance obligation rather than a useful approach which can be useful in core economic decision making. CMAs’ expertise in sustainability costing and integrated reporting remains largely untapped.

Our aim is to institutionally empower Cost and Management Accountants, and strategically repositioned them, with which we can address many of these gaps.

To position ourselves in Viksit Bharat context we should also have clear Methodology Flow Framework- For positioning well, we have to prepare a framework where we can integrate CMA expertise into India’s national vision of Atmanirbhar Bharat| Make in India | Viksit Bharat 2047.

For strengthening and repositioning of India and CMA first we should have a framework from building a Strategic translation to Continuous reform.

Based on our decided goals we have to structure our strategies; strategies are needed to be supported with policies and the policies to be converted into cost and productivity.

Need of the hour is to have handy standardized costing framework.

- Major sectors needed to be taken up for cost intelligence are, Manufacturing, Infra, AI, Public Finance, Social Entrepreneurship, Sustainability and ESG integration.
- Digital and analytics enablement (ERP based costing, Real time dashboard etc.)
- Performance based governance.
- Continuous feedbacks and continuous learning for improvement.
- Defined role of CMA for each and every related sector.
- Above data is presented in below shared table in tabular.

Dimension	Core Need / Gap	Key Sectors / Scope	Strategic Objective	Implementation Levers
Standardised Costing Frameworks	Absence of uniform, comparable, and easy-to-use costing standards across sectors	Manufacturing, Infrastructure, AI, Public Finance, Social Entrepreneurship, Sustainability, ESG	Enable reliable cost intelligence for planning, investment, and evaluation	Sector-specific costing templates; lifecycle and value-for-money benchmarks; national cost reference libraries
Sectoral Cost Intelligence	Fragmented and sealed cost data limits cross-project and cross-sector learning	Capital-intensive and outcome-driven sectors with multi-stakeholder execution	Improve resource allocation and reduce cost overruns	Common cost classification structures; interoperability across agencies and firms
Digital & Analytics Enablement	Costing systems remain retrospective and compliance-driven	ERP-enabled organisations, public agencies, PSUs, large NGOs	Shift to real-time, predictive, and decision-oriented costing	ERP-integrated costing modules; real-time dashboards; AI-driven cost analytics

Dimension	Core Need / Gap	Key Sectors / Scope	Strategic Objective	Implementation Levers
Performance-Based Governance	Weak linkage between expenditure, outcomes, and accountability	Public finance, infrastructure, social sector programs	Strengthen accountability and outcome orientation	Outcome-linked budgets; cost-performance scorecards; incentive-aligned funding mechanisms
Continuous Feedback & Learning	Static costing models fail to adapt to evolving realities	All sectors adopting standardised frameworks	Ensure scalability, relevance, and continuous improvement	Feedback loops from implementation; periodic framework revision; institutional learning systems

Note - (above data is tabulated with support of CHAT GPT of detailed self-written content)

Standardized costing framework can be achieved with support of Policy Makers, Industrial bodies and Professional institutions further with support of **well governed framework we can reposition CMA and aligned to achieve its vision, mission and moto with India’s Vision of Atamnirbhar Bharat.**

For strengthening and repositioning we can equip ourselves with technical competencies and promote strong ethical standards with integrity which will further provide us platform to engage ourselves with Indian as well as foreign regulatory bodies for wider industry connect. Unlike traditional financial accountants who primarily focus on historical, external financial reporting, we as an CMA provide analytical insights for management decision-making.

Repositioning and Strengthening our CMA profession on global platform can be done by revisiting our content of curriculum to match with global standards requirements.

Which will provide us competitive edge and our deliverables can be matched with external overseas market requirement.

MDP (Multi-disciplinary Professional) is also promising futuristic repositioning platform for CMA’s where we can have professional collaboration with other 2 professional ace bodies i.e., CA and CS, with mixed bag of opportunities which will provide a new platform for our young and future CMA practitioners, if we can hold hands, we can emerge and act like Big 4 - Big 8.

We can also position ourselves in overseas market.

As an efficient player in the field of Strategic Planning, Management consultant, risk based internal audit, due diligence audit, and as **being an analyst of expenses, we can regulate the digital market more effectively and provide enhanced value to stakeholders in collaboration.**

CMA had always marked its presence in **For profit enterprises (FPE)** and another challenging field is **NPO (Not for Profit Organization) or social entrepreneurship**, where our expertise from preparing budget (for different thematic areas covering 17 SDG’s) to reading the variances in detailed manner in analytical form will support in preparing the impact assessment for every penny spent towards the benefit of the society at large and preparing Impact assessment report for management and stakeholders and benefiting the society at large.

Cost optimization, pricing strategies, and profit planning. This unique blend of financial expertise and strategic management skills has always made us valuable assets in sectors be it manufacturing or service.

Required is the focus for wider opportunities available area of operations in strategic sectors like AI, Clean Energy, Carbon Accounting, Advanced manufacturing which can support in positioning ourselves in global platform.

Continuous upscaling of skills is a key mantra, be it in advance technological proficiency or Data analytics.

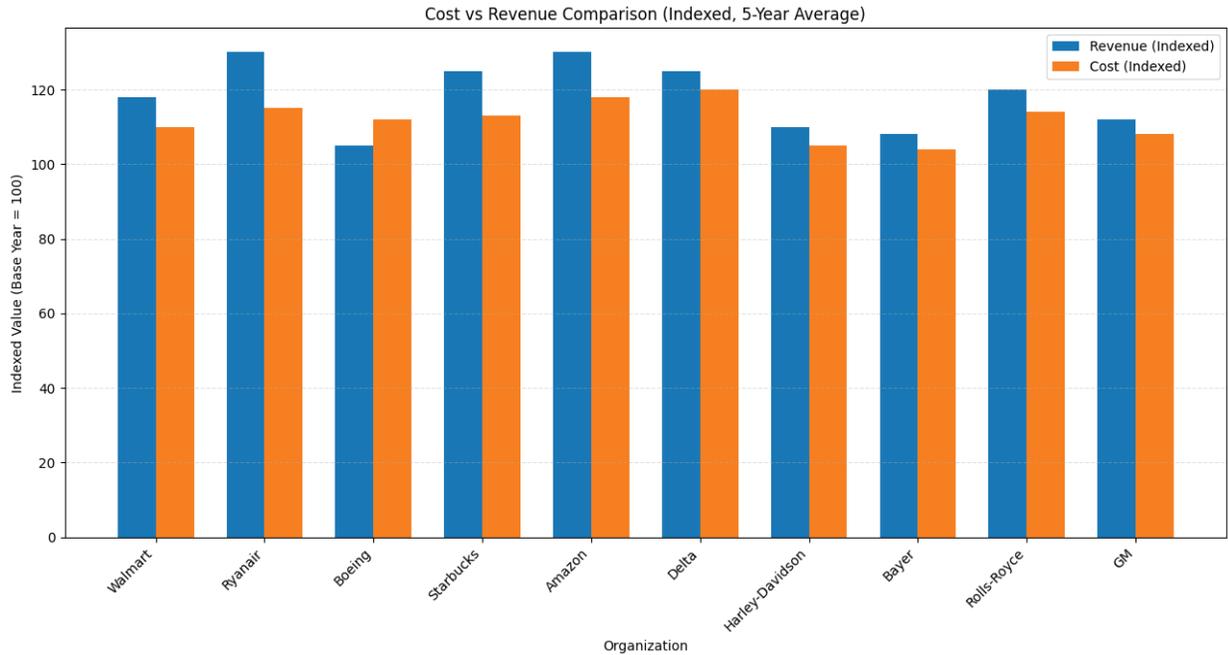
We need to design our work and work culture in such a way that 3 P's (People, Planet and Profit) can be used efficiently and effectively with which we can maintain ecological and economical balancing and follow the principal of optimum utilization.

We can also build a structured sector wise framework based on the data of the ace Industries which follow - continuous costing Upgradation

Industry / Sector	Why Costing Is Continuously Updated	Dominant Costing Practices	Role of Advanced Cost Intelligence
Automotive & Auto Components	Global competition, thin margins, frequent model changes	Standard costing, target costing, Kaizen costing	Continuous cost reduction, supplier benchmarking, localisation decisions
Manufacturing (FMCG, Electronics, Pharma)	Price sensitivity, scale efficiencies, regulatory pressure	Activity-based costing, variance analysis, lifecycle costing	Real-time margin management and productivity optimisation
Infrastructure & Construction	Large capital outlay, cost overruns, long project cycles	Project costing, lifecycle costing, risk-adjusted costing	Cost-to-complete monitoring and performance-linked payments
Information Technology & IT Services	Rapid skill cost changes, billing pressure, client benchmarking	Activity-based costing, time-driven costing	Resource optimisation, pricing, and profitability by client/project
Aviation & Logistics	Fuel volatility, asset-heavy operations	Route costing, marginal costing, contribution analysis	Dynamic pricing, cost efficiency, and capacity utilisation
Energy & Utilities (Power, Renewables, Oil & Gas)	Capital intensity, regulatory oversight, transition risks	Lifecycle costing, environmental costing	Tariff setting, investment appraisal, sustainability trade-offs
Telecommunications	High infrastructure cost, intense price competition	Network costing, customer profitability analysis	ARPU optimisation and capex prioritisation
Healthcare & Pharmaceuticals	Cost of innovation, pricing controls, outcome focus	Process costing, R&D costing, value-based costing	Cost–outcome alignment and access pricing
E-commerce & Platform Businesses	Dynamic pricing, logistics complexity, scale economics	Unit economics, cohort-based costing	Real-time profitability and customer acquisition efficiency
Banking & Financial Services	Regulatory compliance, cost-to-income pressure	Activity-based costing, process costing	Product profitability and operational efficiency
Defence & Aerospace	High R&D cost, long gestation, public procurement scrutiny	Lifecycle costing, should-cost analysis	Cost transparency and contract governance
Sustainability & ESG-driven Enterprises	Measurement of non-financial costs and benefits	Environmental and impact costing	ESG performance linkage and investor confidence
Social Enterprises & Development Sector	Funding efficiency, outcome accountability	Unit cost of service delivery, impact-adjusted costing	Value-for-money and scalable impact

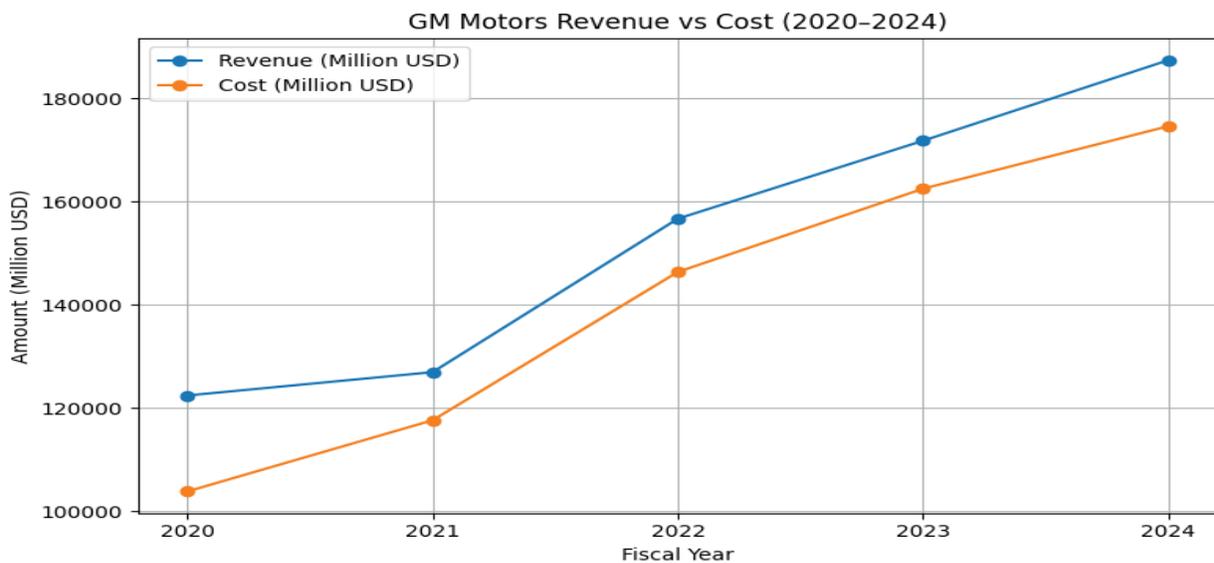
(Note- above tabular is created by exploring sectoral data)

If we follow and analyse the data of top 10 organizations, particularly in manufacturing, retail, and technology sectors, where they had used advanced **costing as a major strategic tool** for pricing, decision-making, and performance management for their cost management practices, have always achieved profit in comparison to their incurred cost. Maintained consistent revenue growth model.



(Above chart shows average of 5 revenue Vs cost- year 2020- 2024)

Based on above- below displayed is only **GM Motors’ Revenue versus Cost for the period 2020–2024**, with figures clearly indicated in **million USD** (investors.gm.com)



To conclude, as India has well positioned herself, currently the **4th largest economy by nominal GDP** in 2025, having surpassed Japan, but it is projected to become the **3rd largest by 2027-2028**, overtaking Germany, driven by strong growth, reforms, and domestic demand. So, while it's not yet 3rd, it's rapidly moving towards that position, this transition of India is not possible without robust cost intelligence, As India is heading towards each and every sector be Infra, Social Entrepreneurship, digital technologies and upscaling it's Manufacturing, the costing framework will provide a supported structure to all CMA's to became an efficient, accountable strategic decision maker which will set a road map towards sustainable growth.

As market placement is not only for cost accountant, we have to place ourselves with skill-based knowledge with standardized, digital, and performance – linked costing.



Primary compliance is not the only focused area, focus should be on analytical capabilities and institutionalising performance-based governance models, which will make CMA a strategic policy reader.

Repositioning CMA along with Indias dream of Atmanirbhar Bharat and Viksit Bharat 2047, requires continuous learning and adaptability towards rapid changes in complex economic enviro. Our moto should be not only to vet how much is spent but also what outcome or impact is being created of each penny spent to fulfil our responsibility of optimum utilization of scarce resources to maximize societal benefit, satisfaction, or output, by making the best of scarce.



We have to build our future CMA's and a single CMA has to act like ADISHESHA.

Article dedicated to all respected members of CMA fraternity!

Thanks for reading!

Stay fit Stay healthy ! Save Tree !

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Building Business Resilience – A 6R Framework for Indian Enterprises

Abstract

This article discusses the essentials of business resilience in the face of adverse operating conditions in the present, and the growing apprehensions of disruptions in the coming decades due to ESG risks and technological innovations. The aim of this article is to throw light on how to “Build, Operate and Maintain Resilient Businesses for Sustainable Socio-Economic Systems” through a proposed 6R Enterprise Resilience Framework (6R ERF), specifically designed for the Indian businesses. The article underlines the urgency for making our enterprises resilient, to maintain the growth momentum towards Viksit Bharat by 2047 and beyond.



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Introduction:

Resilient businesses are the building blocks of resilient economies and sustainable civilizations. Even as the average enterprises in India are catching up with Industry 4.0, which began around 2006 in Germany, the developed world has already progressed to Industry 5.0, with human-centric manufacturing, sustainability and resilience at its core. If Viksit Bharat 2047 is to be achieved, an immediate upward shift in the growth trajectory is necessary. Providing this sudden thrust to the economy and maintaining the growth rate entails disruptive changes through policy, regulation, innovation, and cultural change at the national level. Today, disruptions in business operations have become the norm rather than an exception. The changing regulatory scenario, the growing geo-political unrest, increasingly severe climate-related events, rapid strides in technological innovations, fragmentation of social systems, and many such events across the globe are influencing businesses directly or indirectly. Today’s enterprises need to be alert, agile, flexible, and focussed on their vision, to survive and grow continuously. Resilience is all about being able to stand up again after suffering a blow, and making the most of the opportunity at hand. This ability of an enterprise to anticipate, plan for, adapt to and recover from adverse conditions and disruptions, and take advantage of opportunities brought by change is termed as Business Resilience.

Business Resilience is an important consideration in business strategy. At the more operational level such as preparing a business plan for a period, planners consider at least three scenarios – Best-Case, Base-Case and Worst-Case, to build resilience into their plans. Today, Indian businesses must consider the adoption of a suitable Enterprise Resilience Framework commensurate with their size, management style, industry, environment, and

social dynamics to make the most of the opening of global trade and access to information.

A 6R Enterprise Resilience Framework for Indian Enterprises:

Businesses require a robust framework to develop, manage, and improve their resilience in a structured manner. The suggested 6-R framework is structured to guide the enterprise through the steps and is suitable for all kinds of businesses, organisation structures, sizes, and management styles. It is industry and geography agnostic. The objective of the 6R Enterprise Resilience Framework is to enable Indian businesses with a home-grown solution for the complex business risk management processes that is adaptable to the varying needs of an organisation, based on its stage in the business life-cycle, level of maturity of the risk management processes, the level of uncertainty faced by it, and business environment and culture typical to the sub-continent.

The 6 Rs:



1. Rethink: Rethinking involves prospective and retrospective thought. The enterprise must learn from its past, assess the future, and reimagine business for survival and growth. Enterprises need to assess the impact of changes in the business environment, the industry, technology, social and political value systems, and the geography of operations, across their value chains. Mapping data from reliable sources, using appropriate tools for assessment of the likely impact, and technologies such as digital twins for simulating situations and solutions need to be used to arrive at well-thought-out responses to change. Re-positioning products, exploring new markets, improving the organisation structure are a few examples of the outcomes of this exercise. Companies such as Tata Steel, Mahindra and Mahindra, L&T and BHEL have re-imagined manufacturing through smart-factories to exploit technological innovations and enhance productivity.



2. Rebuild: The long-term assets, employees, customer base, vendor base, experienced and loyal employees are important building blocks of the business. An enterprise may have to strategically re-build its existing operations to deal with the emerging conditions. Early adaptation to change may also be done through a new set-up running parallel to the existing. Scaling-up the India operations about a decade ahead of a recent closure of its China operations by IBM is a case in point.



3. Regulate: Regulating the organisational behaviour to align with the emerging conditions involves drafting and implementing organisational policies, rules, and procedures. The internal control and regulatory mechanisms in the organisation must address the current needs and the emerging needs of the organisation. The regulation of the activities may extend to supply-chain partners. Many multi-national companies publish detailed requirements for vendors. Following the BRSR norms and extending them to vendors and customers by the top 1000 listed companies in India is an example of business behaviour regulation by an organisation, with a ripple-effect across their value chain.



4. Reform: Reforming the social value system and catalysing the corresponding political change are an inherent feature of business sustainability. Businesses are influenced by the society, and they influence it through their activities, employees, customer relations, and vendor relations. Consumer awareness programmes, training and developing vendors, community outreach programmes, advocacy are some of the reform actions involved in strengthening business resilience. Skill development by Tata STRIVE, science and technology awards and scholarships by Infosys Foundation, and Reliance's Panch Pran Initiative are some prominent cases of reforms in the society that enhance business resilience.



5. Reset: When the magnitude of the coming change in the business environment is akin to that of a Tsunami, it makes sense to reset the sails of the ship before it hits. The enterprise needs to define the limits that will trigger the process of reset. To cope with major existential threats, a complete reset – the vision, mission, objectives, form, geography – of almost everything may be necessary. IBM's radical transformation from a hardware-focussed manufacturer to a flexible, customer-focussed IT services and consulting leadership is a text-book case of a full reset.



6. Repeat: Resilience to change implies continuous adaptation. The framework should be such that the cycle of planning, action, monitoring, evaluation, and course correction runs smoothly and continuously. Building resilience thinking in the organisational culture is an important aspect of iterative resilience testing cycle. The framework itself should also be dynamic, adapting to the needs of the business.

Dimensions of the 6R ERF:

The 6R ERF should be implemented throughout the enterprise. There are four important dimensions of business resilience actions – strategic, operational, and financial of the enterprise, and the resilience of its stakeholders.

- 1. Strategic Resilience:** Strategic plans should include long-term scenarios for climate change, research and development, innovation, geo-political changes, that impact the business strategy, and pose a threat to existence and growth, or offer opportunities for growth. For example, the public sector conventional fuel giant, HPCL began its journey into clean energy sources with a wind-farm in Maharashtra in 2007. The strategic objectives were to diversify risks, meet carbon related regulatory requirements, scale up capacity, add new revenue streams, and lead technological change
- 2. Operational Resilience:** At the operational level, flexibility in capacity, availability, access, workflows etc. needs to be built into the business processes. The use of technologies such as robotics, drones, AI, IoT are useful in embedding resilience in business operations through intelligence, analytics, and rapid response systems. The food-tech company, Zomato, for instance, has streamlined its operations with targeted lay-offs of non-core staff, process innovations (changes in the App and standard operating procedures), and product experimentation (Zomato Gold, Dine-in booking system, BlinkIt).
- 3. Financial Resilience:** Building long-term financial resilience involves de-risking sources of finance, balancing the sources of funds (borrowing, equity, hybrid instruments), optimising the use of funds in the

most productive and sustainable operations. Managing cash-flows to retain flexibility of operations, with close coordination between business operations and finance departments is required for operational stability and smooth functioning. Working Capital is the grease of the business operations, that should be introduced at the right time, in the right amounts to smoothen workflows and maintain the pace. Excess can clog the system, and too little can bring it to a grinding halt. For example, Thermax Ltd., a leading Indian Engineering company providing energy and environmental solutions remains virtually debt-free (Debt equity Ratio ranging from 0.10 to 0.35 between 2021 to 2025), while its stocks rose from ₹1767.93 (closing) on 31st March 2021 to ₹2845.70 (closing) on 31st March 2025. This is a direct result of resilient financial management processes, where currency risks, cash-flow risks, cost of capital, geo-political uncertainties are considered carefully.

4. **Stakeholder Resilience:** Stakeholders external to the enterprise include the community, government, and the natural environment in the geography of operations. The major stakeholder internal to the enterprise include investors, employees, suppliers/ vendors, distribution and channel partners, and end-customers. Each segment of the value-chain must be resilient to ensure minimal adverse impact on the enterprise and to make the most of the opportunities offered. The enterprise must evaluate the impact of its actions on the resilience of each stakeholder-group and act to minimise adverse outcomes. For example, the ITC group, the Indian tobacco major, has been involved in environmental action over more than 25 years. It is one of the first companies in India to adopt the triple bottom-line approach and to release its Sustainability Report in conformance with GRI G3 guidelines.

This four-dimensional approach brings comprehensive resilience to all aspects of a business for sustainability.

Advantages of the 6R ERF:



Focus: This framework provides a sharp focus on the risks and opportunities brought by changes to the business environment and enables quick response. The framework proposes an alignment of the existing processes to the new or prospective conditions to achieve the current business objectives while keeping the long-term vision in clear perspective.



Comprehensive: It builds the resilience thought process through all levels of the organisation and involves all stakeholders. The framework permeates every dimension of the business processes and ensures that resilience is built into every aspect.



Lego Approach: It is simple, flexible, and scalable. The 6 Rs act as building blocks that can be arranged in the sequence suitable for the risk management maturity level of the enterprise. Based on the relevance to the perceived changes and business complexities, the blocks may be added or kept aside.



Cost-Effective: The proposed 6R framework is not intended to be a copy-righted, licenced solution. It is intended to be used freely by the business community, for the benefit of SMEs and large enterprises alike. The author intends this to be a collaborative project, to create a framework that can be added to, improvised

and modified by the users on a public platform, open to all.

Conclusion:

A rocket-thrust is required to launch the Indian Economy into Viksit Bharat 2047 within the next two decades and to continue its rise to its full potential. Such a thrust will cause disruptions that will bring both threats and opportunities to the businesses. Business resilience is necessary to help brace against these threats and to explore the new doors thrown open due to development.

Every Indian enterprise, whether an MSME or a Multi-National, must build in resilience into its business. The Enterprise Resilience Framework should be embedded within the overall Risk Management Framework in such a manner that it becomes an integral part of the decision-making processes at every organisational level. Using the 6R ERF will help the enterprises anticipate the changes, form response strategies, and take quick and appropriate action, right from the top management to the last individual in the value-chain, making them proactive rather than reactionary. Building resilient enterprises unlocks the potential of the economy and fuels growth and prosperity of the nation in a sustainable manner.



Jai Hind!

The Recipe of Modern Financial Reporting: Blending Ind AS, BRSR and ESG

Abstract

Modern corporate reporting has evolved from simple profit-and-loss statements into a multidimensional "recipe" for transparency. By integrating Indian Accounting Standards (Ind AS) for financial rigor with Business Responsibility and Sustainability Reporting (BRSR) and ESG frameworks for non-financial impact, companies provide a holistic view of value creation. This article explores how these three ingredients combine to build investor trust and long-term organizational resilience.



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Introduction: The Evolution of the Corporate “Kitchen”

For decades, the “recipe” for a successful annual report was simple: focus on the bottom line. If the numbers were black, the company was healthy. However, the global shift toward stakeholder capitalism has fundamentally changed the ingredients. Today, investors, regulators, and consumers demand to know not just how much money a company made, but how it made it.

In India, this has led to a sophisticated reporting ecosystem where financial data (Ind AS) is seasoned with environmental, social, and governance (ESG) insights and structured through the BRSR framework.

Ingredient 1: Ind AS – The Financial Foundation

Indian Accounting Standards (Ind AS), converged with International Financial Reporting Standards (IFRS), serve as the base of our recipe. Without a standardized, high-quality financial foundation, any other reporting lacks credibility.

Fair Value Measurement: Ind AS moves away from historical cost, ensuring assets and liabilities reflect current market realities.

Substance Over Form: It ensures that the economic reality of a transaction is recorded, preventing “off-balance-sheet” flavoring that might mislead investors.

Comparability: By aligning with global standards, Ind AS allows Indian companies to speak the “universal language” of finance, attracting foreign institutional investment (FII).

Ingredient 2: ESG – The Nutritional Profile

If Ind AS is the “flour” of the cake, ESG (Environmental, Social and Governance) represents the nutritional value. It measures the long-term sustainability of the business model.

Environmental (E): Carbon footprint, water management and waste reduction.

Social (S): Labor relations, diversity and inclusion, and community impact.

Governance (G): Board composition, ethical conduct and executive compensation.

ESG isn’t just “feel-good” data; it is a risk management tool. A company with poor “E” scores faces regulatory fines; poor “S” scores lead to talent attrition; and poor “G” scores lead to fraud and collapse.

Ingredient 3: BRSR – The Cooking Method

The Business Responsibility and Sustainability Report (BRSR) is the mandatory framework introduced by SEBI for the top 1,000 listed entities in India. It acts as the “cooking method” that integrates ESG into the formal reporting cycle.

Key Pillars of BRSR:

The Core (Nine Principles): Based on the National Guidelines on Responsible Business Conduct (NGRBC).

Essential Indicators: Mandatory data points (e.g., energy consumption, gender pay gap).

Leadership Indicators: Voluntary disclosures for companies striving for best-in-class transparency.

The Secret Sauce: Integration and Interconnectivity

The true “MasterChef” of reporting understands that Ind AS, BRSR and ESG are not silos. They are deeply interconnected.

1. Climate Risk in Financials

Under Ind AS, companies must now consider if climate-related risks (an ESG factor) impact the useful life of assets or require “impairment” charges on the balance sheet.

2. Provisions and Contingent Liabilities

If a company’s BRSR report indicates a high risk of environmental litigation, the Ind AS financial statements must reflect the necessary provisions or disclosures for potential fines.

3. Human Capital as an Asset

While Ind AS generally treats wages as an expense, the “Social” aspect of ESG views employees as assets. BRSR bridges this gap by highlighting training hours and employee well-being, providing context to the “Employee Benefit Expenses” line item in the P&L.

Challenges in the Kitchen

Creating this integrated report isn’t without hurdles:

Data Silos: Financial data lives in ERP systems, while ESG data often lives in spreadsheets across different departments.

Green washing: The temptation to “over-season” the report with positive ESG stories while hiding negative financial trends.

Assurance: While Ind AS is audited, BRSR assurance (BRSR Core) is still an emerging field, requiring specialized skill sets.

Conclusion: Serving the Final Product

The final “dish”—an Integrated Annual Report—should tell a cohesive story. It should demonstrate that the company is financially sound (Ind AS), ethically responsible (ESG) and transparent about its impact on society (BRSR).

As global capital increasingly flows toward “responsible” businesses, mastering this recipe is no longer optional. It is the only way to ensure a seat at the table of the future global economy.

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Ind AS 115: Revenue Discipline for EPC IPOs

Abstract

As Indian EPC companies increasingly access the capital markets, revenue recognition assumes heightened significance in establishing investor confidence. Ind AS 115 introduces a structured, contract-driven approach to revenue reporting, particularly critical during the IPO and main-board transition. This article examines the relevance of Ind AS 115 for EPC companies, highlights key judgement areas, and outlines the role of CMAs in ensuring disciplined, transparent, and sustainable revenue reporting.



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Introduction

Over the past decade, India's capital markets have witnessed a steady rise in initial public offerings, with infrastructure and engineering-led businesses featuring more prominently in the main-board pipeline. EPC companies are increasingly turning to public equity to fund long-gestation projects, strengthen balance sheets, and demonstrate execution credentials. In this environment, investors are willing to back long-term growth stories, but only when reported numbers reflect the economic substance of underlying contracts. Revenue, therefore, becomes more than a tally of bills raised; it serves as a proxy for how risks, obligations and value creation are shared over the life of a project. At the listing stage, the credibility of revenue recognition policies—and their alignment with Ind AS 115—becomes central to valuation, market reception, and the company's long-term standing with stakeholders.

Why Ind AS 115 Is Non-Negotiable at the IPO Stage

Private-stage EPC companies often emphasise order book size, billing milestones, and cash flows. Once a company approaches the capital markets, however, the lens shifts decisively towards revenue quality, predictability, and consistency across periods. At the IPO stage, the reference point moves from promoter comfort to stakeholder skepticism.

Ind AS 115 compels EPC companies to address uncomfortable but essential questions. Is revenue grounded in enforceable contractual rights or in optimistic assumptions? Are margins being front-loaded through aggressive stage-of-completion estimates? Are claims and variations recognised before sufficient certainty exists? The answers to these questions determine whether the valuation narrative withstands investor scrutiny or fractures under it.

EPC-Specific Pressure Points under Ind AS 115

EPC contracts typically bundle design, procurement, construction, and commissioning into a single arrangement. Ind AS

115 requires management to assess whether this bundle constitutes a single performance obligation or multiple distinct obligations. Incorrect assessments can distort revenue patterns, particularly at the IPO stage where disclosures are closely scrutinized.

Revenue recognition over time is not automatic. Ind AS 115 permits such recognition only when the customer controls the asset as it is created or when an enforceable right to payment exists. These conditions often become focal points during due diligence and DRHP reviews.

Variable considerations such as claims, variations and escalation must be recognised only when it is highly probable that no significant reversal will occur. In EPC contracts, this requires careful judgement given the prevalence of disputes, negotiations, and conditional approvals.

Contract modifications must be analysed to determine whether they represent separate contracts or modifications of existing ones. Misclassification can distort margins, revenue timing, and order book credibility.

Ind AS 115 also requires a clear distinction between contract assets and contract liabilities. The movement of these balances provides investors with insight into billing discipline, execution risk, and working-capital intensity.

Integrated EPC contracts typically qualify as single performance obligations but carve-outs for distinct procurement elements can materially alter revenue timing.

Role of CMAs in Revenue Governance

CMAs operate at the intersection of contracts, costing, project execution, and revenue recognition, placing them in a uniquely influential position during IPO preparation. They can help align contract terms with revenue recognition feasibility, stress-test assumptions underlying completion estimates, and ensure that disclosures clearly articulate key judgement areas.

By resisting revenue pressure that conflicts with the principles of Ind AS 115, CMAs function as strategic guardians of sustainable revenue rather than merely post-fact accountants.

Conclusion

For EPC companies, revenue discipline is no longer a back-office technicality; it is a visible marker of governance, quality, and market reputation. Once a company enters the public domain, every percentage of completion and every recognised claim sends a signal about its risk culture and adherence to principle-based standards. CMAs, with their combined understanding of contracts, costing and execution realities, are uniquely positioned to ensure that these signals remain dependable and sustainable. By embedding robust Ind AS 115 practices before and after listing, they help safeguard long-term value for both promoters and investors, while contributing to India's objective of building deeper and more credible capital markets. Disciplined Ind AS 115 application aligns EPC revenue patterns with global peers, supporting India's RISE ambition through credible infrastructure financing.

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Enhancing Manufacturing Capabilities through Zero Defects Manufacturing: A Shift beyond Six Sigma

Abstract

Manufacturing industries consistently encounter the challenge of managing production processes and systems to produce high-quality goods while optimizing resource utilization. Without good product quality businesses are bound to collapse. Traditional Six Sigma techniques have limitations in highly variable production contexts. To overcome the limitations of six sigma technique, Zero Defects Manufacturing (ZDM) approach is introduced. The present article aims to provide a comprehensive overview of six sigma Vis-a- Vis ZDM. The paper is developed by collecting and analysis information from different websites, blogs, scholarly work, journals, and books. The paper concludes that ZDM enhances flexibility, supports sustainable quality excellence and improve manufacturing capabilities, thereby addressing the gaps inherent in the Six Sigma framework.



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Introduction

In the current extremely competitive business landscape, organizations cannot endure without product quality. Quality influences not just the product, process, and services but also the sustainable capacity of an organization. The organization's manufacturing and design capabilities are fundamental pillars. These encompass quality, cost, delivery, flexibility, process capability, and inspection capability. Manufacturing companies consistently confront the problem of managing their production processes and systems to attain the necessary production levels of high-quality goods while optimizing resource utilization. Conventional Six Sigma methodologies exhibit constraints in production environments marked by high variability, such as small batch manufacturing, customization, or diverse product mixes. To overcome the limitations of six sigma technique Zero Defects Manufacturing (ZDM) approach is introduced. Psarommatis and Azamfirei (2024) stated that majority of the quality management approaches rely heavily on processes and on people's knowledge. Zero-Defect Manufacturing (ZDM) contests such perspectives and integrates emerging technology inside the Quality Management framework. This paper has been written with a major objective to provide a comprehensive overview of six sigma Vis a Vis Zero Defect Manufacturing (ZDM). By examining both Six Sigma and ZDM, the study highlights how manufacturing firms can strengthen their critical operational capabilities by adopting

ZDM. Additionally, the paper further investigates the limitations of the Six Sigma concept and explains how ZDM effectively addresses these shortcomings. It begins with discussion on the cost associated with poor quality, introduction to the Six Sigma concept, followed by a sigma levels and certification, the concept of DMC, and a comparative analysis of Six Sigma and ZDM. The paper concludes by summarizing the key insights and implications for manufacturing excellence.

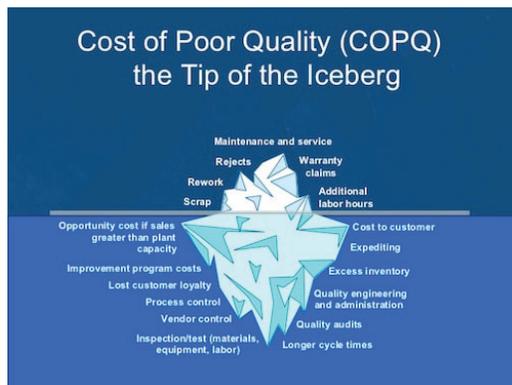
Research Methodology

The author collected information from different websites, blogs, scholarly work, journals, and books. The author make an effort to analyze those information and presented it in a simple way for comprehensive understanding of the topic.

Cost of Poor Quality

The Cost of Poor Quality (COPQ), commonly referred to as the cost of waste, denotes the expenses incurred by a business or organization as a result of substandard quality and faults in an existing process.

Figure 1: Cost of Poor Quality



Source: www.6sigma.us

Figure 1 illustrates the Cost of Poor Quality (COPQ) using an iceberg analogy. It shows that only a small portion of quality-related costs are visible, while the majority portion of the cost remain hidden. The visible tip of the iceberg represents easily measurable costs such as scrap, rework, rejects, warranty claims, maintenance, and additional labor hours. Below the surface lies a much larger set of hidden costs. The hidden portion includes loss of customer loyalty, opportunity costs from underutilized capacity, excess inventory, longer cycle times, repeated inspections, quality audits, vendor control, and administrative and engineering efforts related to quality. These hidden costs often have a greater financial impact than visible failures. Therefore, we can say that poor quality affects not only production costs but also efficiency, customer satisfaction, and long-term organizational performance.

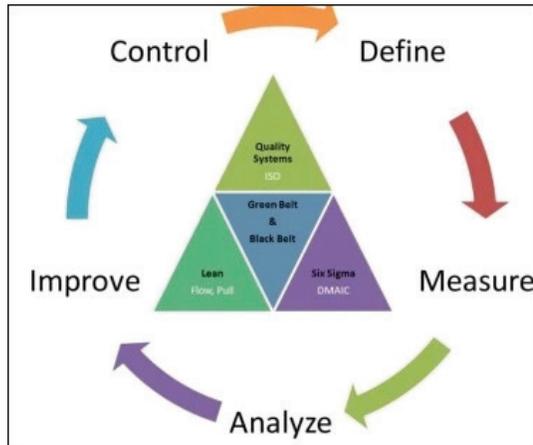
Six- Sigma Concept

Six Sigma is a collection of quality technologies that businesses utilise to eradicate flaws and enhance overall processes. The enhancement of processes results in increased profitability. The phrase Six Sigma originated in the manufacturing sector as a method of quality control. According to industry standards, six-sigma quality is attained when long-term defect levels are fewer than 3.4 defects per million opportunities (DPMO). It was invented in 1986 by engineer William Smith. Six Sigma practitioners employ statistical methods, financial analysis, and project management data to discover and mitigate faults and errors, thereby enhancing quality

and efficiency. Six Sigma is predicated on the notion that there is significant potential to measure and optimise business processes. Six Sigma has subsequently transformed into a broader business paradigm. Presently, Six Sigma emphasises fulfilling client expectations, enhancing customer retention, and maintaining corporate products and services.

Six-Sigma Methodology

Figure 2: Six Sigma Methodology and Quality Systems Framework



Source: <https://www.workzone.com/blog/six-sigma/>

Figure 2 illustrates the core elements of the Six Sigma methodology and its integration with other quality systems. The diagram presents the DMAIC (Define, Measure, Analyze, Improve, Control) cycle, which is central theme to Six Sigma. The arrows shows the flow between each phase. It highlights how various approaches, like Lean principles (Flow and Pull), are used within each phase to improve process efficiency. Additionally, it shows the involvement of different quality certifications, including Green Belt and Black Belt. The figure highlights how the Six Sigma methodology fits within a broader framework of process optimization, incorporating tools and strategies like Lean, DMAIC, and other quality management systems. The continuous flow between each phase (Define, Measure, Analyze, Improve, Control) is depicted, with an emphasis on the interconnectedness of these elements to achieve optimal performance in business processes.

Six-Sigma Certifications and Belt



Source: <https://dcmlearning.ie/lean-resources/>

Figure 3 presents the hierarchy of Six Sigma certification levels, depicted in a pyramid structure. At the top is the Master Black Belt. It represent the highest level of Six Sigma certification. These individuals train and coach Black Belts and Green Belts. They also oversee the strategic application of Six Sigma throughout an organization. Below that is the Black Belt, who leads problem-solving projects and ensures that improvements are made. They also train and mentor Green Belts. The Green Belt level represents individuals who have a foundational understanding of Six Sigma tools and techniques. Green belt individuals often work on process improvement projects under the guidance of Black Belts. The lower levels of the pyramid include Yellow Belts and White Belts. Yellow Belts typically participate in projects by supporting data collection and process improvements. Yellow belt individuals may assist with the implementation of improvements. The White Belt is the entry-level certification, where individuals gain basic knowledge of Six Sigma principles and may assist in projects without direct leadership responsibilities. This pyramid structure visually emphasizes the increasing level of responsibility, expertise, and leadership required as one advances through Six Sigma certifications.

The Downside of Six-Sigma

Figure 4: Disadvantages of six-sigma



Source: <https://www.sixsigmatrainingfree.com/six-sigma-blog>

Figure 4 highlights the disadvantages of Six Sigma. It suggests that Six Sigma places strong emphasis on process rigidity, which can reduce flexibility and creativity. The approach is also criticized as being largely a rebranding of existing quality management techniques. Implementing Six Sigma can be difficult because achieving strict control and sustained employee dedication requires significant effort and cultural change. Additionally, organizations often face practical barriers when translating Six Sigma from a theoretical framework into real-world practice, making adoption complex, time-consuming, and sometimes resistant to change by the members of the organization.

Zero Defects Manufacturing

Zero Defects Concept is a revolutionary idea in the field of quality control and management (Figure 5). It emphasizes on achieving error-free performance by doing work right the first time (Psarommatis et al., 2020). At the core is the goal of zero defects, meaning the ultimate aim is to eliminate errors rather than merely correcting them after they occur. This goal is supported by continuous improvement, where processes are regularly reviewed and refined to enhance quality and efficiency. Error prevention plays a proactive role by identifying potential mistakes in advance and putting controls in place to avoid them. Finally, root cause analysis ensures that underlying causes of defects are identified and permanently addressed. Thus, zero defect create a systematic approach to improve quality that focuses on prevention, accountability, and sustained excellence.

Figure 5: Zero Defects Concept

Zero Defects Concept



Source: <https://www.6sigma.us/>

ZDM and Six-Sigma Comparison

Table 1: A comparative analysis of six-sigma and ZDM.

Parameter	Six Sigma	Zero Defect Concept
Objective	Defect Management	Defect Prevention
Key Idea	Attaining 3.4 faults per million opportunities (DPMO)	Executing tasks correctly on the initial attempt consistently
Associated Cost	Relatively lower	Comparatively higher
Instruments	Statistical quality control instruments and problem-solving methodologies	Ongoing enhancement propelled by leadership dedication
Performance Standards	Few defects are acceptable	No defects are acceptable
Scope	Limited to quality of product or service	Applicable to every job in the organisation

Source: Prepared by the Researcher

Benefits of ZDM

Figure 6: Benefits of ZDM



Source: <https://www.4cpl.com>

Figure 6 highlights four key benefits associated with the ZDM. Improved Quality reflects a focus on reducing defects and enhancing product standards. Enhanced Production signifies increased efficiency, productivity, and optimized processes. Government Subsidy indicates financial support and incentives that encourage adoption of improved technologies and practices. Finally, Reduced Negative Environmental Impact emphasizes sustainable operations that minimize pollution and resource wastage. In a nut shell, figure 6 illustrates how quality improvement initiatives can drive Zero Defect Manufacturing.

Conclusion

The article concludes that Six Sigma has been instrumental in reducing variability and improving process efficiency. However, its effectiveness is limited in today's complex and highly customized manufacturing environments. The analysis of the Cost of Poor Quality shows that many quality-related losses remain hidden and are not fully addressed by traditional quality management approaches alone. The drawbacks of Six Sigma like; process rigidity, high implementation effort, and challenges in translating theory into practice suggest the need for a more proactive and prevention-oriented quality paradigm. In this context, Zero Defects Manufacturing (ZDM) emerges as a more comprehensive approach of quality management, continuous improvement, and root cause elimination from the beginning. By shifting the focus from defect detection and correction to defect avoidance, ZDM fit well with modern manufacturing requirements. ZDM seeks to enhance defect prediction methodologies across various production processes. Thus, ZDM enhances flexibility, supports sustainable quality excellence and improve manufacturing capabilities, thereby addressing the gaps inherent in the Six Sigma framework.

AI Declaration

This manuscript was prepared with the assistance of artificial intelligence tools for language refinement, clarity, and formatting. The intellectual content, analysis, and conclusions are solely the responsibility of the author.

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Rise India: Repositioning India and CMAs for a \$10 Trillion Future

Abstract

India stands at a pivotal juncture in its journey toward becoming a \$10 trillion economy by 2035, demanding bold repositioning across sectors. This article explores how Cost and Management Accountants (CMAs) can lead the charge under the convention theme “Rise India - Reposition, Intensify, Strengthen, Enhance” and sub-theme “Repositioning India and CMAs.” By repositioning themselves as strategic architects of sustainable growth, CMAs must intensify cost optimization, strengthen governance frameworks, and enhance innovation ecosystems. Drawing on real-world case studies and forward-looking strategies, it outlines a roadmap for CMAs to propel India’s rise through resilient supply chains, green finance, digital transformation, and inclusive development.



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Introduction

India’s clarion call to “Rise” echoes louder than ever. As the world’s fastest-growing major economy, with GDP projections touching \$4.5 trillion in 2025 and eyeing \$10 trillion by 2035, the nation must reposition itself on the global stage. The National Cost and Management Accountants Convention 2026 theme—“Rise India - Reposition, Intensify, Strengthen, Enhance”—provides a blueprint for this transformation. At its heart lies the sub-theme “Repositioning India and CMAs,” urging Cost and Management Accountants to evolve from traditional cost custodians to strategic visionaries.

CMAs, with their expertise in cost management, financial strategy, and performance optimization, are uniquely equipped to drive this repositioning. No longer back-office operators, they must step forward as architects of India’s economic resurgence. This article delves into how CMAs can intensify efforts in key areas, strengthen institutional frameworks, and enhance capabilities to fuel India’s ascent.

Repositioning India: From Emerging Market to Global Powerhouse

Repositioning begins with a clear-eyed assessment of India’s strengths and vulnerabilities. Boasting a youthful demographic dividend, a burgeoning digital economy, and robust foreign reserves exceeding \$700 billion, India has repositioned itself post-COVID as a beacon of resilience. Initiatives like Make in India, Atmanirbhar Bharat, and the Production Linked Incentive (PLI) scheme have attracted over \$150 billion in FDI since 2020, propelling sectors

like electronics and renewables.

Yet challenges persist: supply chain disruptions, inflationary pressures, and geopolitical tensions demand a repositioned India—self-reliant yet globally integrated. Here, CMAs play a starring role. By leveraging tools like activity-based costing (ABC) and total cost of ownership (TCO) models, they can reposition supply chains for resilience. For instance, during the 2024 Red Sea crisis, CMA-led analyses helped Indian exporters diversify routes, saving firms up to 15% in logistics costs.

CMAs must also reposition India's narrative from cost-competitive labor hub to innovation powerhouse. With R&D spending at a modest 0.7% of GDP, strategic cost allocation toward high-impact tech—AI, biotech, semiconductors—can accelerate this shift. Imagine CMAs deploying zero-based budgeting (ZBB) to prioritize moonshot projects, mirroring Israel's model where targeted investments birthed a startup nation.

Intensifying Cost Leadership: Fueling Efficiency at Scale

Intensity is the engine of India's rise. To sustain 8-10% annual GDP growth, every rupee must deliver exponential value. CMAs must intensify cost leadership, transforming expenses into competitive weapons.

Consider manufacturing, India's growth locomotive. Under PLI schemes, sectors like mobiles and pharmaceuticals have seen production surge 30% year-on-year. CMAs intensify this by implementing lean six sigma integrated with digital twins—virtual replicas of production lines that predict and preempt inefficiencies. A Tata Steel case study revealed 20% throughput gains through CMA-orchestrated simulations, slashing energy costs amid volatile global prices.

In services, where India commands 55% of GDP, intensification means hyper-personalized cost analytics. Fintech unicorns like Paytm rely on CMA-driven predictive modeling to optimize transaction costs, reducing fraud losses by 25%. As India pushes for a \$1 trillion digital economy, CMAs must intensify data monetization, using machine learning for real-time pricing and dynamic costing.

Global trade demands intensity too. With exports targeting \$2 trillion by 2030, CMAs can intensify competitiveness via transfer pricing mastery and ESG-compliant costing. By embedding carbon pricing into supply chains, they ensure Indian exports meet EU CBAM thresholds, averting \$5-10 billion in annual penalties.

Strengthening Governance and Risk Resilience

Strength lies in unbreakable foundations. India's rise hinges on fortified governance, where CMAs strengthen risk frameworks against black swans—pandemics, cyber threats, climate shocks. Post-2024's unprecedented heatwaves crippling agriculture, CMAs strengthened resilience through parametric insurance models. By costing climate risks via stochastic simulations, they enabled \$2 billion in farmer payouts, stabilizing food inflation at 4%. Strengthening extends to corporate governance: CMAs champion integrated reporting under BRSR (Business Responsibility and Sustainability Reporting), blending financials with non-financial KPIs to attract ESG investors, who poured \$20 billion into India in 2025.

In public finance, CMAs strengthen fiscal discipline. With debt-to-GDP at 82%, outcome-based budgeting—piloted by states like Andhra Pradesh—allows CMAs to track scheme efficacy, reallocating ₹50,000 crore from underperformers to high-ROI areas like skilling. Strengthening MSME credit, vital for 30% of GDP, involves CMA-led credit scoring via alternative data, boosting lending by 40% without NPAs spiking.

Cybersecurity demands CMA fortification. As digital payments hit 15 billion monthly, CMAs strengthen controls with blockchain-based audit trails, reducing fraud by 35% in banking pilots.

Enhancing Innovation and Human Capital

Enhancement propels India beyond catch-up growth to frontier leadership. CMAs must enhance innovation ecosystems, turning ideas into scalable realities.

Start with R&D enhancement. CMAs deploy value engineering to stretch limited budgets, as seen in DRDO projects where cost-benefit analyses enhanced indigenous defense tech, saving ₹10,000 crore. In startups, valued at \$500 billion, CMAs enhance venture viability through scenario planning and Monte Carlo simulations, guiding 70% more

firms to Series A.

Human capital enhancement is paramount. India's 600 million working-age population must upskill for Industry 4.0. CMAs enhance this via competency-based costing for training programs, optimizing ₹1 lakh crore annual spends. Platforms like Skill India, augmented by CMA dashboards, track ROI, with early data showing 25% productivity lifts in reskilled workers.

Sustainability enhancement seals the deal. CMAs pioneer green costing frameworks, valuing circular economy loops. Reliance Industries' gigafactories, CMA-optimized, enhanced biofuel yields by 18%, positioning India as a net-zero leader by 2070.

The CMA Roadmap: Actionable Strategies for 2026 and Beyond

To operationalize this vision, CMAs must adopt a five-pillar roadmap:

Digital Mastery: Upskill in AI-driven analytics; integrate ERP with blockchain for real-time costing.

Global Benchmarking: Partner with ICMA (USA) and CIMA (UK) for cross-border best practices.

Policy Advocacy: Influence budgets for CMA-led national cost observatories tracking sectoral efficiencies.

Sustainability Integration: Certify in GRI standards; lead net-zero transitions.

Talent Pipeline: Mentor via ICAI chapters, aiming for 50,000 new CMAs by 2030.

Case in point: Adani Group's CMA teams repositioned ports via predictive maintenance, intensifying throughput 22%, strengthening against monsoons, and enhancing green credentials with solar integration—exemplifying the theme in action.

India's Rise: A CMA-Led Imperative

India's repositioning is not optional—it's existential. By 2030, demographic peaks demand 12 million jobs yearly; climate imperatives require \$2.5 trillion investments. CMAs, repositioned as strategic sentinels, will intensify efficiencies, strengthen safeguards, and enhance innovations to deliver.

The Convention 2026 must ignite this fire. Let CMAs pledge: We will Rise India. Through repositioned mindsets, intensified actions, strengthened resolve, and enhanced capabilities, India's tryst with destiny becomes reality. The world watches—will we lead?

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Repositioning of India and the Strategic Role of CMAs in the Audit Architecture of Public Sector Undertakings

Abstract

Cost and Management Accounting (CMA) has evolved continuously in response to rapidly changing business models, economic complexity, and governance expectations. As organisations adapt to technological advancement, global integration, and dynamic regulatory environments, the CMA profession must reposition itself to remain strategically relevant and value driven. The contemporary role of Cost and Management Accountants extends beyond traditional cost determination to encompass strategic decision support, performance management, and value creation.

In India, this evolution is intrinsically linked to the country's broader economic repositioning, particularly through the governance and performance of Public Sector Undertakings (PSUs). PSUs operate within a comprehensive audit framework designed to ensure accountability, transparency, efficiency, and value for public resources. This framework extends beyond statutory compliance to include cost, performance, compliance, and propriety audits under constitutional and regulatory oversight.

This paper examines the evolving audit architecture governing Indian PSUs and analyses the expanding strategic role of Cost and Management Accountants within this framework. It argues that CMAs are uniquely positioned to support outcome-based governance, efficient resource utilisation, and evidence-based policy implementation. The paper concludes that repositioning the CMA profession is integral to India's public sector reform agenda and long-term economic transformation.



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1. Introduction

Cost and Management Accounting has evolved in tandem with the increasing complexity of business environments and economic systems. In India, this evolution has been closely associated with the role of Public Sector Undertakings (PSUs) as key instruments of socio-economic development. Historically, PSUs have contributed significantly to infrastructure creation, industrial expansion, employment generation, and regional development.

As India repositions itself through manufacturing expansion, infrastructure investment, energy transition,

digitalisation, and fiscal consolidation, the governance architecture of PSUs assumes renewed importance. Public expectations have also shifted—from mere adherence to rules towards demonstrable efficiency, effectiveness, and measurable outcomes. Consequently, audit mechanisms in the public sector have evolved from narrow compliance-oriented functions to broader instruments of governance and performance assurance.

Within this changing landscape, Cost and Management Accountants occupy a strategically important position. Their training, analytical orientation, and statutory recognition enable them to contribute meaningfully to public finance management, performance evaluation, and outcome-oriented governance.

2. Audit Framework Governing Public Sector Undertakings in India

Public Sector Undertakings in India are subject to a multi-layered audit framework reflecting constitutional accountability and democratic oversight. This framework includes statutory audit under the Companies Act, 2013; supplementary audit by the Comptroller and Auditor General of India (CAG); internal audit mechanisms; cost audit; performance audit; compliance audit; and propriety audit.

Unlike private sector governance systems, public sector audit frameworks are guided by the principles of economy, efficiency, effectiveness, and ethical utilisation of public resources. Audit findings relating to PSUs are placed before Parliament and examined by oversight bodies such as the Public Accounts Committee and the Committee on Public Undertakings, thereby reinforcing transparency and public accountability.

This layered audit structure underscores the importance of robust cost information systems. Meaningful assessment of efficiency, prudence, and value for money is contingent upon accurate, comparable, and analytically sound cost data—an area where Cost and Management Accountants play a critical role.

3. Strategic Role of Cost and Management Accountants in PSU Governance

Within the PSU audit architecture, Cost and Management Accountants contribute in multiple strategic domains, including:

- Cost optimisation and efficiency analysis
- Performance measurement and outcome evaluation
- Tariff determination and pricing justification
- Policy costing and control of public expenditure

By integrating cost data with operational and performance indicators, CMAs enable audits to progress beyond procedural verification towards value-for-money and outcome-based assessment. Their systems-oriented approach supports informed decision-making, resource prioritisation, and long-term financial sustainability of public enterprises.

4. CMAs as Enablers of Propriety and Public Value

4.1 Propriety Audit and the Role of Cost Information

Propriety Audit is a distinctive feature of public sector auditing in India. Exercised under the constitutional mandate of the Comptroller and Auditor General of India, propriety audit examines whether public expenditure, even when duly authorised, conforms to the accepted standards of prudence, reasonableness, economy, and public interest. It seeks to ensure that public resources are utilised not merely lawfully, but wisely.

Although propriety audit is grounded in public finance principles, its effectiveness depends substantially on the availability of reliable and disaggregated cost information. In this context, a fundamental conceptual linkage exists between propriety audit and cost audit. While the two operate within different statutory and institutional domains, they share a common philosophical objective—assessment of the quality of expenditure rather than mere compliance with procedures.

Cost audit provides the analytical foundation required to support propriety-based evaluation. Through systematic

analysis of standard costs, actual costs, variances, capacity utilisation, and inefficiencies, cost audit generates objective evidence that enables informed judgments on prudence and economy. It facilitates assessment of whether costs were justified, whether inefficiencies existed, and whether alternative approaches could have achieved better value.

In this manner, cost audit functions as the technical backbone of propriety audit by converting normative expectations of prudence into evidence-based conclusions. The integration of cost analytics with propriety principles strengthens the credibility, depth, and policy relevance of public sector audit outcomes.

4.2 CMAs and the Shift Towards Outcome-Oriented Public Finance

The increasing convergence between cost audit and propriety audit reflects a broader transformation in public financial management—from an emphasis on expenditure magnitude to a focus on expenditure quality and outcomes. In this evolving governance paradigm, Cost and Management Accountants are transitioning from traditional cost record-keepers to public value analysts and performance enablers.

CMAs contribute to public value creation by facilitating:

- Efficient and accountable public expenditure
- Rational and transparent tariff and pricing mechanisms
- Financially sustainable and resilient PSU operations
- Evidence-based policymaking and programme evaluation
- Reduction of fiscal leakages and enhancement of expenditure quality

By integrating cost intelligence with performance assessment, CMAs support outcome-based budgeting and strengthen public confidence in public institutions.

5. Conclusion

As India's development strategy increasingly emphasises accountability, efficiency, and outcome-oriented growth, Cost and Management Accountants are emerging as strategic partners in public governance rather than narrow compliance specialists. The evolving audit architecture of Public Sector Undertakings underscores the need for deeper and more institutionalised engagement of CMAs in public finance management, performance evaluation, and policy implementation.

Repositioning the CMA profession in alignment with national economic objectives will enhance its relevance and strengthen its contribution to sustainable public sector reform. By integrating cost intelligence with performance and outcome assessment, CMAs can play a pivotal role in transforming public expenditure into measurable economic and social outcomes.

In this context, policymakers must consciously recognise and leverage the expanded strategic capabilities of the CMA profession. A calibrated and forward-looking integration of CMAs into public sector audit, budgeting, and governance frameworks will be instrumental in supporting India's long-term development vision, including the national aspiration of **Viksit Bharat @2047**.

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Repositioning India and CMAs

Abstract

This article examines the strategic theme of “Repositioning India and Cost and Management Accountants (CMAs)” under the RISE India framework (Reposition, Intensify, Strengthen, Enhance), aligned with the national objective of achieving Viksit Bharat 2047. It presents a forward-looking perspective on the evolving role of CMAs from traditional cost accountants to strategic financial leaders and value managers contributing to economic policy, industrial growth, and governance reform.

The paper highlights expanding CMA contributions across manufacturing, MSMEs, infrastructure, services, taxation, and public finance through scientific costing, operational efficiency, and performance-driven financial management. It further explores integration of AI, analytics, and digital systems in finance, enabling predictive forecasting, real-time monitoring, and risk control. Emphasis is also placed on ESG, sustainability reporting, and green finance. Overall, the article positions CMAs as technology-enabled strategic advisors and policy contributors, strengthening India’s global economic competitiveness in a digital and sustainability-driven environment.



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“Repositioning India and CMAs” is a strategic theme spearheaded as part of its **RISE India** framework . As India progresses toward the «Viksit Bharat 2047» vision to become a developed economy, Cost and Management Accountants (CMAs) are playing a transformative role in repositioning the nation as a global manufacturing and service hub.

The initiative aims to redefine the role of Cost and Management Accountants (CMAs) to align with India’s vision of becoming a developed nation (**Viksit Bharat**) by 2047.

The role of CMAs has shifted from traditional cost reporting to strategic “value management,” where they act as essential partners in national economic growth.

“RISE India” (Reposition, Intensify, Strengthen, Enhance) is a strategic initiative to elevate the role of Cost and Management Accountants (CMAs) in driving India’s growth toward a Viksit Bharat 2047 vision.

The focus is on enhancing capabilities in manufacturing, services, sustainability, and governance.

Their primary role in repositioning India involves shifting focus from historical reporting to proactive financial leadership across several key domains:

The concept is being driving through two primary channels:

1. The RISE India Framework (ICMAI)

The **63rd National Cost and Management Accountants Convention (NCMAC 2026)**, scheduled for January 9–11, 2026, in Coimbatore, is centered on the theme “RISE India”. The framework stands for:

- **Repositioning:** Elevating the CMA brand from a traditional «costing» role to strategic partners in economic policy, industry transformation, and nation-building.
- **Intensifying:** Driving the growth of the profession across new sectors.
- **Strengthening:** Improving the core competencies and professional standards of members.
- **Enhancing:** Building leadership capabilities specifically for India’s manufacturing and service sectors.

2. Strategic Institutional Shifts

To support this repositioning, several major structural changes were implemented in 2025:

- **Headquarters Relocation:** ICMAI officially moved its headquarters from Kolkata to **New Delhi** in April 2025. This shift was designed to place the institute at the heart of India’s policy-making and economic hub to better influence national financial strategies.
- **Digital & Global Integration:** CMAs are being repositioned to take lead roles in emerging fields such as **ESG (Environmental, Social, and Governance)**, **AI in Finance**, **Sustainability**, and **Green Finance**.
- **Global Partnerships:** There is an increased focus on international recognition through collaborations, such as the MoU between ICMAI and the Institute of Management Accountants (IMA), USA, to enhance global career mobility for Indian CMAs.

Key Roles of CMAs in Repositioning India

- **Driving Global Competitiveness:** CMAs enhance the competitiveness of Indian industries by implementing scientific costing techniques, lean operations, and cost optimization, which are critical for initiatives like «Make in India» and the Production Linked Incentive (PLI) schemes.
- **Strengthening MSMEs:** CMAs empower Micro, Small, and Medium Enterprises—the backbone of India’s economy—by improving financial discipline, resource allocation, and access to finance.
- **Leading Digital Transformation:** CMAs are at the forefront of «Digital Bharat,» integrating financial intelligence with emerging technologies like AI, blockchain, and data analytics to drive efficiency in both public and private sectors.
- **Strategic National Contributions:** CMAs contribute to national security by managing resources efficiently in the defence sector and serve in the Indian Cost Accounts Service (ICoAS) to advise the government on fiscal and tax policies.
- **Sustainability and Governance:** They play a pivotal role in the green economy by leading efforts in ESG (Environmental, Social, and Governance) reporting, sustainability frameworks, and climate finance.
- **Global Brand Positioning:** The «RISE India» theme (Repositioning, Intensifying, Strengthening, Enhancing) for the 2026 National Convention reflects the mission to establish CMAs as thought leaders and policy contributors on international platforms.
 - ▲ **Economic Drivers:** As India experiences industrial expansion, CMAs are crucial for managing fluctuating project costs, ensuring resource optimization, and supporting sustainability goals.
 - ▲ **Policy & Governance:** CMAs are increasingly involved in tax reforms, GST 2.0, and improving the ease of doing business to support national fiscal policy.

- ▲ **Global Positioning:** The initiative aims to align Indian CMAs with global standards, preparing them for leadership roles in both domestic and international markets.
- ▲ **Strategic Role in Vision 2047:** The initiative aligns CMAs with India's economic growth, focusing on enhancing competence in manufacturing, service leadership, and sustainability imperatives.
- ▲ **Transforming the Profession:** The goal is to evolve CMAs into «SMART Accountants» who can navigate rapid changes in industry, project costs, and dynamic pricing.
- ▲ **Focus Areas (RISE Framework):**
 - **Repositioning:** Building thought leadership, policy contributions, and global recognition.
 - **Intensifying Growth:** Expanding the profession's footprint in various sectors.
 - **Strengthening Competence:** Enhancing skills to meet modern business demands.
 - **Enhancing Capabilities:** Focusing on manufacturing and service sector leadership.
- **Policy & Economic Contribution:** CMAs are increasingly involved in providing inputs on GST, direct taxation, and ease of doing business in Union Budget pre-budget meetings.

Strategic Economic Leadership

- **Viksit Bharat 2047 Roadmap:** CMAs are central to national initiatives, providing the financial discipline and resource optimization required to transform India into a developed economy.
- **Policy Contribution:** The profession is evolving toward high-level leadership roles in economic reform and policy planning, moving beyond back-office compliance.
- **Manufacturing Excellence:** Through programs like **Make in India** and **PLI schemes**, CMAs enhance national competitiveness by implementing lean operations, cost optimization, and operational excellence.

Digital Transformation & Tech-Enabled Governance

- **Digital Bharat:** CMAs support the growth of a digital economy by guiding MSMEs through digital adoption, ERP implementation, and e-invoicing.
- **AI & Emerging Tech:** In 2025, CMAs are increasingly leveraging AI for anomaly detection, fraud prevention, and strategic forecasting to ensure more transparent corporate governance.
- **Data-Driven Decision Making:** Using advanced analytics and tools like Power BI or Tableau, CMAs translate complex financial data into actionable insights for the boardroom.

Sustainability and Global Standards

- **ESG & Green Finance:** CMAs lead the integration of sustainability into business models, managing climate finance and ensuring compliance with evolving Environmental, Social, and Governance (ESG) frameworks.
- **Global Benchmarking:** There is a concerted effort to align Indian management accounting standards with global best practices, repositioning the Indian CMA brand as a world-class professional benchmark.

Strengthening the Industrial Backbone (MSMEs)

- **Resource Management:** CMAs empower MSMEs—the backbone of India's economy—by optimizing raw material, labor, and production costs to boost profitability and competitiveness.
- **Financial Health & Recovery:** They act as «value managers,» guiding businesses through financial crises by restructuring costs and securing funding through government schemes like **MUDRA loans** and **PMEGP**.

Sector-Specific Leadership

- **Logistics & Infrastructure:** CMAs provide cost leadership in capital-intensive projects such as **Gati Shakti**, aviation, and ports.
- **Service Sectors:** They apply advanced costing tools in BFSI, healthcare, and IT to manage project-specific costs and improve service delivery margins.

Role of CMA in AI world

- In today's rapidly evolving digital landscape, artificial intelligence (AI) has revolutionized industries, transforming business processes and decision-making. While AI brings advanced technological solutions, its full potential can only be realized when integrated with strategic financial and cost management practices. This is where the role of Cost Management Accountants (CMAs) becomes pivotal. In a world dominated by AI, CMAs are no longer just number crunchers or auditors—they have evolved into strategic decision-makers who leverage AI to drive efficiency, profitability, and sustainability within organizations.

AI as a Tool for Enhanced Decision-Making

- AI empowers CMAs with advanced tools to analyze complex data sets and derive actionable insights. In the traditional sense, CMAs focused on preparing financial reports, analyzing costs, and providing insights on budgeting. With AI, these processes are not only automated but also enhanced through predictive analytics, machine learning algorithms, and real-time data analysis.
- For example, AI systems can predict future cost trends by analyzing historical data and market conditions. This allows CMAs to provide more accurate and data-driven insights to management, helping in more informed decision-making processes. Rather than just reacting to past data, CMAs can proactively suggest improvements, optimize operations, and enhance cost-efficiency.

Automation of Routine Tasks

- One of the most significant contributions AI offers is the automation of repetitive tasks. Traditionally, CMAs spend significant time managing routine tasks such as data entry, invoice processing, and cost allocation. AI, through automation, can handle these tasks with high accuracy and efficiency, reducing human error and freeing CMAs to focus on higher-level strategic activities.

Cost Optimization and Resource Allocation

- Cost management is at the core of a CMA's responsibility. In an AI-driven business environment, CMAs can use AI tools to optimize costs, streamline production, and allocate resources more efficiently. Machine learning algorithms can analyze a company's spending patterns and suggest areas for cost savings, such as optimizing supplier contracts, minimizing waste in the production process, or automating logistics.

Strategic Financial Planning with Predictive Analytics

- In the AI-driven economy, predictive analytics has emerged as a crucial tool for long-term financial planning. CMAs, empowered with AI, can forecast financial outcomes based on different market scenarios and business strategies. Predictive models powered by AI can assess risks, simulate outcomes, and suggest the best financial plans to ensure future profitability.

Real-Time Reporting and Continuous Monitoring

- AI enables real-time data monitoring, which allows CMAs to provide continuous insights and updates to management. This is a significant shift from the traditional monthly or quarterly financial reporting cycle. AI systems can monitor financial transactions as they occur, identify anomalies, and report discrepancies instantly. CMAs can use this data to assess ongoing performance, track cost overruns, and provide timely recommendations to avoid financial pitfalls.

Risk Management and Fraud Detection

- Incorporating AI in financial processes is crucial for identifying risks and preventing fraud. AI systems, through pattern recognition and anomaly detection, can spot unusual activities, such as abnormal spending patterns or discrepancies in financial records, helping CMAs mitigate financial risks early on.

Sustainability and Cost Efficiency in the AI Age

- As sustainability becomes a priority for many companies, CMAs play a crucial role in aligning financial strategies with environmental goals. AI can assist in identifying the most cost-effective ways to reduce a company's carbon footprint or manage resources sustainably.

The Human Element: CMAs as Strategic Advisors in the AI World

- Despite AI's powerful capabilities, the human element remains critical in interpreting data and making strategic decisions. CMAs, with their deep understanding of business operations, financial principles, and cost management, are best positioned to harness AI tools to drive organizational success. They bridge the gap between technology and human judgment, ensuring that AI-driven insights are aligned with broader business goals and ethical considerations.

Conclusion:

The initiative seeks to transform CMAs into “SMART” accountants with strong technical foundations that can adapt to high-competition environments and complex financial structures. By integrating financial intelligence with technology and sustainability frameworks, CMAs are essential to India's identity as a modern, cost-competitive, and transparent global power.

The role of CMAs is being transformed in the AI world. No longer confined to traditional cost accounting roles, CMAs are emerging as essential players in AI-driven organizations. By leveraging AI tools, CMAs enhance their ability to make data-driven decisions, optimize costs, and forecast future trends with greater accuracy. As AI continues to evolve, CMAs will remain at the forefront, guiding businesses through the complexities of modern financial management while ensuring sustainable growth and profitability.

In this new era, the fusion of AI and cost management accounting opens up unprecedented opportunities for innovation, efficiency, and strategic impact. CMAs who embrace AI are poised to lead the next wave of transformation in the world of finance.

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Vikshit Bharat 2047 In the Eye of A Cost and Management Accountant (CMA)

Abstract

The aim of Vikshit Bharat 2047 is to make a strong nation to India by sustainable development of the economy. Sustainable development is possible through improvement of transparency in book keeping, reduction of corruptions, raising per capita income, political stability, and protection of environment for future generations, proper rules and regulations for the corporate bodies.

In this context CMA's have a significant role for effective use of scarce resource, identifying corruption areas of corporate bodies accounting, financing and taxation, check whether companies are following Companies Act, ESG rules, Corporate Governance etc. Thus policy makers of the country take guidance from CMA reports in framing proper rules and regulations.



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For balanced development of a country different elements like economic and political stability, proper rules and regulations, protection of damages of environment, accountability and development of transparency in book keeping and other activities, reduction of corruptions etc. are very essential. From various studies it is found that sustainable development between BRICS countries and G7 countries are different due to political stability, accountability, promotion and protection of environmental and social elements, decrease in corruption etc. BRICS countries put emphasis on effectiveness of Government role in different issues. The aim of Vikshit Bharat, 2047 is sustainable development; it means development of per capita income, livelihood, educational and health development beside protection of environment.

Cost and Management Accountants (CMA) has a significant role in sustainable development of a nation by focusing on implementation of different rules like Companies Act, ESG rules, Corporate Governance in corporate bodies. CMAs inspect whether Board of Directors structures are appropriate or not; presence of independent and women directors are not; corporate bodies are spending minimum 2% of average net profit of last 3 years on environmental aspect or not; corporate bodies are following ESG rules or not. CMAs are the watch dog of different anomalies in book keeping, financing, investing, dividend distribution and taxation. The CMAs are responsible in focusing different irregularities in companies operations and recommend how to cease these



corruptions. They are also responsible to future generations by focusing on different social activities and protection of environment of the corporate bodies.

They recommend ways of curtailment of product prices, improvement of productivity of different inputs. CMAs also examine whether different financial statement are prepared following accounting standards to improve transparency and to develop trusted relationship with the users of financial statements.

Conclusion: CMAs have a great role in improving transparency of books of accounts, financing, investment and dividend distribution methods. They can focus on protection of environment by examining whether the companies are following ESG rule, Companies Act etc. while in audit. They identify the areas of corruptions and help the policy makers in framing proper rules and regulations for reduction of it. CMAs have role to supply the products at cheaper rate by efficient management of scarce resources. They also help in raising per capita income of the society by improving the productivity of employees, increasing business volume, expansion of business etc.

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Repositioning Cost and Management Accountants in India's Transforming Economic and Policy Landscape

Abstract

India is undergoing a large-scale transformation driven by wide-ranging economic and tax reforms, rapid digitization, evolving regulatory frameworks, and paradigm shifts in public policy. These domestic changes are further compounded by global uncertainties arising from geopolitical conflicts, trade embargoes, tariff wars, and disruptions in global supply chains.

Within this evolving scenario, the role of Cost and Management Accountants (CMAs) must undergo a fundamental repositioning. The CMAs should emphasize on the need for interdisciplinary learning, applied research, data analytics, and forward-looking strategic capabilities to make the vision of 'Resurgent Bharat', a reality.



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India has undergone major economic and tax reforms such as the Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC), corporate tax rationalization, and direct benefit transfers (DBT), in conjunction with large-scale digitization such as Aadhaar, Unified Payments Interface (UPI), and Government e-Marketplace (GeM). Together with these reforms, changes in the regulatory framework and paradigm shift in several Government Policies with farfetched social and political impacts have changed the dynamics that is shaping up the Country in the current time. In addition, the global disruptions highlighted by the regional political conflicts, trade embargoes, tariff war have brought about distressing consequences which were not envisaged. And in this context, the Indian corporate world, government regulatory authorities and agencies and every other participant of 'Atmanirbhar Bharat' (Self-Reliant India) are trying to cope with and simultaneously leverage the challenges thrown out under the influence of all these rapid transformations.

'Atmanirbhar Bharat' is not a slogan in isolation and is embedded in the idea of a welfare state. It needs to be understood and appreciated that the success of a nation as a welfare state is most effectively measured by the actual wellbeing of the citizens which is evident in the availability of affordable and quality education, healthcare, employment opportunities, unpolluted environment, social security and a dignified life and not in terms of certain economic parameters like Gross Domestic Product (GDP), rate of inflation, per capita income, fiscal

deficits and the like. Although these macro-economic indicators present a larger picture of the nation's economic growth, these are not adequate in capturing the multidimensional nature of development. In a country as large and diverse as India, achieving an all pervasive, inclusive growth is difficult due to inequality in distribution of income and wealth and the benefits of development not reaching all the regions of the country and sections of the society. From this perspective it can be said that the success of 'Atmanirbhar Bharat' is rooted in equitable distribution of the benefits of the development across all regions and sections of the society.

India with the largest global population coupled with demographic and socio-economic heterogeneity needs a unique strategy for taking advantage of the huge consumer base and reap the demographic dividend the two major contributors towards being self-reliant. The strategy needs to ensure that the aspirations of the different stratus of the society, pursuing different vocations - agriculture, manufacturing, services, informal employment, following varied cultural and social practices with different ways of living, align their goals towards a shared national vision in such a way that their combined efforts result in synergy and not counter the effort of the different sections. This comes as a big challenge and requires giving shape to a structure, beginning at the micro level, whereby interplay of the social dynamics will put into motion a self-driven system of unified goal achievement, instead of fragmented and conflicting efforts where progress in one sector or region inadvertently undermines the progress of the other. Here, we need a bottom-up approach where the process will start with grooming the smallest units of human, machine, organization, to ensure that they effectively contribute towards the larger goal. Much of the efforts fail midway because of lack of sufficiently detailed planning which would be able to factor in all the possible strength, weakness, opportunities and threats, prepare to tackle the perceivable deterrents and map the whole path of execution under efficient supervision. The strengths and weaknesses of these units should be assessed and steps should be taken to best utilize these units, in isolation or in combination. Units should be made resilient enough so that they do not succumb to the perceivable threats.

This would require a framework of harmonized micro-level initiatives and objectives. The work should start with adopting small villages and communities and providing them with a healthy life, training them to contribute in the process of nation building, helping them to build co-operation with other villages and communities and gradually making them self-reliant. This model has already begun and gaining momentum with the participation of the corporate houses and NGOs. Parallely, the start-up micro-level enterprises should be supported through hand-holding initiatives, gradually transforming them into self-reliant units with independent collaborations.

The Indian Government's policy framework emphasizes on three fundamental principles of 'transparency', 'performance' and 'accountability'. Digitization of government processes, real-time data reporting, and technology-enabled compliance mechanisms have increased transparency while regulatory oversight has become more stringent, with enhanced scrutiny of financial reporting, taxation, environmental compliance, and corporate governance.

The consequential conflict between the 'ease of doing business' and 'imposing controls' needs to be managed effectively. A balance between less interference from the Government Regulators and Agencies and at the same time ensuring that necessary controls are not subverted, is to be achieved. While excessively stringent controls can affect performance of the enterprise, increase the cost of compliance and discourage investment, poor regulatory oversight can lead to malpractices resulting in erosion of public trust.

While at the Organizational level, cost competitiveness, supply chain uncertainties, sustainable performance, regulatory compliances and maintaining shareholders' confidence are essential, uncontrolled competition between the business houses which becomes counter-productive as a result of price wars, resource misallocation and unethical practices need to be arrested through a clear-cut policy and well laid out governance framework. This is imperative for promoting healthy, technology-driven competition, aligned with national priorities.

In spite of all the publicized programs the response in the public domain is largely varied. A large section of the people believe that things are moving in the right direction with the right momentum to reach the goal following a time-line but their conviction is based on the statements of the Government Agencies and the political narrative

and is not backed by a rational evaluation. Another section would prefer to evaluate the scenario based on the available data and make a rational assessment and they are not convinced. There are several others who do not care much but consider much of these as politicking and there exists a large-scale skepticism among them. But in this context, the most disturbing part is that the general public, whether they have an opinion or not, is not aware of how they can contribute to this movement and has a very casual, passer-by approach towards this national movement. This does not herald a positive signal for a national movement where awareness and participation should assume the fervor similar to that towards the national flag and the national anthem.

In our country the failure of a project is also caused by lack of a truly professional approach which is vitiated by variant personal needs at different levels of human participation.

Having discussed about the various reasons which appear as the deterrent, we can spare a few words on how the Cost and Management Accountants (CMAs) can step in to lead this national movement, towards its success. CMAs need to assume the professional leadership role and in collaboration with the government agencies plan, mobilize the resources, monitor the progress, troubleshoot and guide the movement to its successful culmination. CMAs with their specialized knowledge and training have the potential to perform this function with aplomb. What they need is a change in their mindset and orientation.

The Cost and Management Accountants, are already the leading strategic partners in the ‘Atmanirbhar Bharat’ mission and cannot confine themselves in maintaining the scorecard of performance and tabulating data for management decision making. While the CMAs have over the years come across as strategic advisors helping in enterprise governance by harnessing the specialized knowledge and skills for ‘cost analysis’, ‘promoting risk-adjusted performance’ and long-term sustainable value creation; in the evolving scenario CMAs need to reposition themselves as pathfinders who would define new strategies challenging the critical and complex issues confronting the growth of the nation. They should play a proactive role and propel the individual micro-level units by helping them to understand the challenges confronted and tackling them, training them on supply chain management, risk management strategies, regulatory compliance and sustainability imperatives.

The CMAs in their new ‘avatar’ need to address the fundamental issues confronting the development of our country, discussed earlier in this article and for that the CMAs need to engage in inter-disciplinary learning, focus on applied research-based methods for empirical studies and employ the skills of data analytics for predictive analysis. Economic and managerial challenges cannot be compartmentalized and therefore it is imperative to acquire knowledge across disciplines of public policy, law, technology, environmental science, and behavioral economics without limiting oneself to a particular domain. Applied research-based methods becomes essential because by actively engaging in empirical studies that analyse real-world data, the CMAs can evaluate policy outcomes, and assess organizational practices. This shall also help them to develop structural frameworks and models for effective functioning at the micro-level goal realisation. Predictive and prescriptive analytics would enable CMAs to towards conduct scenario modelling, risk forecasting, and strategic optimization. The CMAs should expand their roles to foster development at the community and grassroots level thereby enabling development of economically viable and self-reliant local bodies. CMAs should contribute to work for capacity building at the micro level—through training, advisory services, and process improvements. These micro-level initiatives would aggregate into macro-level gains, reinforcing the foundations of ‘Atmanirbhar Bharat’. The CMAs should change their outlook and groom themselves to be highly adaptive and forward-looking professionals. They have to outshine themselves and need to come up with strategies, frameworks and models which will be unique and prove to be ultimate game changers.

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The RISE Framework: Transparency as India's Competitive Edge

Abstract

As India advances toward becoming a \$5 trillion economy and a developed nation by 2047, corporate reporting is shifting from compliance to strategic transparency and sustainable value creation. This paper presents the RISE framework—Reposition, Intensify, Strengthen, and Enhance—to analyse the convergence of Indian Accounting Standards (Ind AS), Business Responsibility and Sustainability Reporting (BRSR), and Environmental, Social and Governance (ESG) practices. Ind AS repositions reporting through principle-based, substance-focused measurement and global comparability, while BRSR and ESG intensify disclosure via standardized, measurable sustainability metrics. The framework emphasizes strengthened accountability and auditability through integrated data and digital tools, and enhanced long-term value creation.



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Introduction

The global economic landscape is undergoing a seismic shift. No longer is a company's value measured solely by the rows and columns of its balance sheet. As India marches toward its goal of becoming a \$5 trillion economy and eventually a developed nation by 2047, the “recipe” for corporate reporting must evolve.¹

The theme “RISE India – Reposition, Intensify, Strengthen, Enhance” captures the multidimensional transformation required to align India's growth aspirations with global expectations and provides the perfect culinary metaphor for this transformation. At the core of this transformation lies a new recipe of financial reporting, integrating Indian Accounting Standards (Ind AS), Business Responsibility and Sustainability Reporting (BRSR), and Environmental, Social and Governance (ESG) principles by which India is creating a world-class standard for corporate transparency.²

India's emergence as a global economic force is being shaped not only by scale and speed of growth but by the quality of governance, transparency, and sustainability embedded within its corporate ecosystem. This evolving reporting framework is repositioning India as a credible investment destination, intensifying disclosure quality, strengthening stakeholder trust and enhancing long-term value creation, while redefining the role of finance professionals in the process.

Financial reporting today is no longer a backwards-looking record of numbers. It is a strategic narrative that communicates how an organisation creates value, manages risks, governs responsibly, and contributes to

sustainable development. The RISE framework provides a structured lens to understand how reforms in financial reporting are supporting India's national and corporate transformation.

Repositioning: From Compliance to Value Creation

Traditionally, financial reporting was seen as a “rear-view mirror” exercise—a statutory burden to satisfy regulators. To Reposition means changing the mindset from “checking boxes” to “telling a story of value.”

The Role of Ind AS

Ind AS (converged with IFRS) was the first major step in this repositioning. By moving from a rule-based system to a principle-based system, Ind AS forced Indian companies to reflect the economic reality of transactions rather than their legal form.

- Fair Value Accounting for reflection of current market conditions.
- Substance over Form to ensure that complex financial structures don't hide debt.

The Rise of the “Non-Financial”

Repositioning also means acknowledging that intangible assets—brand reputation, climate resilience, and human capital—are now the primary drivers of market capitalization. The recipe is no longer just about the “main course” (profits) but also the “ingredients” (sustainability).³

Intensifying: Deepening the Flavour of Disclosure

To intensify means to go beyond the surface. In the context of the “reporting recipe,” this is where BRSR and ESG come into play, adding depth and spice to the financial narrative.

BRSR: The Indian Blueprint

The Securities and Exchange Board of India (SEBI) introduced the Business Responsibility and Sustainability Report (BRSR) to bring standardized sustainability reporting to the forefront.

- **Quantifiable Metrics:** BRSR moves away from vague “CSR stories” to hard data on energy consumption, waste management, and gender diversity.
- **The BRSR Core:** Recent mandates for “reasonable assurance” on certain KPIs mean that sustainability data must now be as reliable as financial data.⁴

ESG: The Global Palate

ESG is the lens through which global investors view Indian companies.

- **Environmental:** Carbon footprint and net-zero pathways.
- **Social:** Labour practices and community impact.
- **Governance:** Board diversity and ethical conduct.

By intensifying these disclosures, Indian companies become more attractive to foreign institutional investors (FIIs) who prioritise long-term sustainability over short-term gains.

Strengthening: The Foundation of Trust and Integrity

A recipe is only as good as the quality of its ingredients. To strengthen financial reporting, India must focus on the “3 As”: Accountability, Accuracy, and Auditability.

Interlinking Financial and Non-Financial Data

The most significant challenge and opportunity is the integration of Ind AS with ESG metrics. For example:

1. For Impairment of Assets under Ind AS 36, climate change risks must now be factored into the valuation of physical assets.
2. For provisions in future environmental cleanup costs (decommissioning liabilities) must be accurately recognised today.

Technology as the Secret Sauce

Strengthening the reporting ecosystem requires the adoption of:

- XBRL Tagging for seamless data analysis.
- AI and Data Analytics to identify anomalies in reporting.
- Blockchain for immutable supply chain tracking in ESG reporting.⁵

The “Recipe” for the Future

When we blend these elements, we get a robust framework for RISE India:

Ingredient	Purpose	Impact
Ind AS	Structural Integrity	Global comparability and financial transparency.
BRSR	Transparency	Clear communication of the business impact on society.
ESG	Risk Management	Identifying long-term threats and opportunities.
Assurance	Quality Control	Building trust with stakeholders and regulators.

As “RISE India” takes centre stage, the enhanced recipe of financial reporting will ensure that the growth we see is not just rapid, but also resilient, inclusive, and sustainable.

Technical Deep Dive: The Convergence of Ind AS and Sustainability

To reach a comprehensive word count, it is essential to explore how specific accounting standards are being reshaped by the “RISE” philosophy.

Ind AS 16 (Property, Plant, and Equipment) & ESG

The “Enhance” pillar focuses on the lifecycle of an asset. Under Ind AS 16, the cost of an item includes the estimated costs of dismantling and removing the item. In the new reporting recipe, ESG commitments to environmental restoration must be reflected in the initial measurement of assets. If a company enhances its sustainability pledge, the accounting for its physical infrastructure must change immediately to reflect these future costs.⁶

Ind AS 109 (Financial Instruments) & Climate Risk

As Indian banks and financial institutions adopt the “Expected Credit Loss” (ECL) model under Ind AS 109, they are now “Enhancing” their risk assessments by including climate-related data. If a borrower’s business model is vulnerable to carbon taxes or physical climate risks, the lender must recognize higher credit risk, leading to earlier loss recognition.

Ind AS 102 (Share-based Payments) & Social Metrics

We are seeing a trend where executive remuneration (ESOPs and bonuses) is being linked to ESG performance. This “Enhances” the social and governance pillar by ensuring that the leadership’s financial incentives are aligned with the long-term sustainability of the company.

Strategic Roadmap for Implementation (A Guide for Indian Corporates)

To truly achieve the RISE India vision, companies should follow this four-stage implementation plan:

- 1. Diagnostic Stage:** Conduct a gap analysis between current disclosures and the requirements of Ind AS, BRSR Core, and global ESG frameworks (like GRI or SASB).
- 2. Integration Stage:** Break down silos between the Sustainability department and the Finance department. Create a unified “Reporting Task Force.”
- 3. Digital Transformation Stage:** Implement ESG software that integrates with the existing ERP (SAP/Oracle) to ensure data accuracy and auditability.
- 4. Assurance Stage:** Engage external auditors for “Reasonable Assurance” of BRSR metrics to build ultimate stakeholder trust.

Final Vision: India as a Global Standard-Setter

The RISE India theme is not a destination but a continuous journey of improvement. By repositioning our intent, intensifying our disclosures, strengthening our foundations, and enhancing our value, India is creating a unique corporate reporting model. This “New Recipe” is what will sustain India’s growth from a \$5 trillion economy to a developed nation by 2047. It ensures that our progress is not measured just by how much wealth we create, but by how that wealth is created and how long it will last for future generations.

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CMAs as Architects of Atmanirbhar Bharat

Abstract

As India repositions itself as a global manufacturing and services leader, enterprises are discovering that growth without value discipline is fragile. This article, grounded in my personal practitioner experience, argues that Cost and Management Accountants (CMAs) are uniquely positioned to bridge strategy, execution, and sustainability. Drawing from transformation work across manufacturing and services, it highlights how CMAs can move from reporting outcomes to architecting enterprise value.



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India's Repositioning: The Practitioner's Reality

India's economic narrative has changed decisively over the last decade. Enterprises are no longer competing only on cost and scale; they are being evaluated on **margin resilience, capital efficiency, governance quality, and sustainability credibility**.

In boardrooms and leadership discussions, the questions have shifted:

- Why is revenue growing faster than cash?
- Which products and customers actually create value?
- Where are margins being diluted despite operational efficiency?
- How do ESG commitments translate into financial outcomes?

In my experience working with Indian and global organisations across manufacturing, services, and platform businesses, one pattern is consistent: **the problem is rarely lack of effort or intent—it is lack of economic clarity**.

This is precisely where the CMA profession becomes critical.

From Cost Control to Value Architecture

Traditionally, CMAs have been excellent custodians of cost discipline, budgeting, and internal reporting. However, in most organisations I have worked with, cost control alone does not address the real problem.

Margins are rarely lost due to overspending alone. They are lost through:

- Poor pricing discipline
- Unpriced complexity
- Weak cost-to-serve visibility
- Misaligned incentives between sales, operations, and finance

In multiple transformation engagements, the turning point came not from cost cutting, but from **making value visible**—by redesigning how decisions were framed, reviewed, and governed.

This is the shift CMAs must embrace: from “*Did we control cost?*” to “*Did we design the business to create value?*”

Strengthening Capability: What the Practitioner Sees Missing

Across industries, I repeatedly observe that technically strong finance teams struggle to influence decisions because their insights arrive too late or are framed too narrowly.

Future-ready CMAs must strengthen four practitioner-level capabilities.

1. Business Model Understanding

In one manufacturing engagement, the issue was not high cost, but excessive product variants created to win marginal orders. Once CMAs mapped product-level profitability and complexity costs, leadership made sharper portfolio decisions. The operating models have changed dramatically in the last two decades. New business models imply CMA’s must appreciate the new ways of working and not just report numbers.

Understanding **how money is made** is more important than knowing **how costs are booked**.

2. Economic Storytelling

Executives do not need more dashboards; they need clarity. CMAs who can explain why margins moved—and what trade-offs caused it—become trusted advisors, not reporters. I call this financial storytelling.

3. Cross-Functional Influence

Value is created across pricing, delivery, procurement, and working capital. In several assignments, margin improvement stalled until CMAs facilitated cross-functional conversations instead of operating within finance boundaries.

4. Change Economics

Digital initiatives, automation, and ESG programs often fail to deliver value because their economics are poorly defined. CMAs must lead the conversation on **returns, risks, and trade-offs** of change.

Manufacturing Leadership: Making Margins Visible

In Indian manufacturing, I often see leaders surprised by margin volatility despite strong order books. The root causes are consistent:

- Deal-level pricing decisions disconnected from execution complexity
- Fixed cost structures misaligned with volume variability
- Productivity measured operationally but not economically

In one transformation program, rather than focusing on plant-level efficiency alone, CMAs helped redesign:

- Deal-level pricing governance
- Delivery pyramid and utilisation discipline
- Automation targeted at releasing capacity, not just reducing headcount

The result was not just cost reduction, but **margin predictability and cash improvement**.

This is where CMAs differentiate themselves: not by cutting cost, but by **orchestrating cost, price, and productivity as one system**.

Services Leadership: Pricing, Productivity, and Value

In services organisations, the challenge is different. Revenue grows, but profitability lags because:

- Discounting becomes habitual
- Productivity is measured in effort, not value
- High-effort clients subsidise low-effort ones

In several service-sector engagements, CMAs played a pivotal role by:

- Rebuilding pricing waterfalls to expose leakage
- Redefining productivity metrics to reflect contribution
- Linking utilisation discipline with pricing decisions

These interventions did not reduce growth—they **improved the quality of growth**.

For CMAs, services leadership is about making intangible value measurable.

IndAS, BRSR, and ESG: A Practitioner's Lens

From a practitioner standpoint, the biggest risk with IndAS, BRSR, and ESG is treating them as compliance exercises.

IndAS requires judgement, not just technical accuracy. CMAs must understand how accounting choices affect investor perception and performance narratives.

BRSR has elevated non-financial metrics to board relevance. In my experience, organisations struggle not with reporting, but with **linking sustainability actions to business outcomes**.

ESG initiatives succeed only when:

- Metrics are integrated into performance management
- Trade-offs are explicitly discussed
- Financial and non-financial outcomes are aligned

CMAs are uniquely positioned to connect ESG with enterprise economics, turning sustainability from a reporting obligation into a **value creation lever**.

From Reporting to Decision Architecture

One insight that consistently emerges from transformation work is this: **Enterprises do not fail due to lack of data; they fail due to poor decision design**.

CMAs can create disproportionate impact by focusing on:

- How pricing decisions are reviewed and approved

- How product and customer profitability is tracked
- How working capital trade-offs are governed
- How leadership reviews performance

I often find that simple changes in decision cadence and metrics unlock more value than large-scale restructuring. This is the future CMA role: **designing decision architecture**, not just reporting outcomes.

A Call to the Profession: From Experience

The CMA profession stands at a strategic crossroads.

One path is safe: continue excelling in traditional roles.

The other is challenging but rewarding: step into enterprise leadership.

From practitioner experience, CMAs who succeed in this transition do three things:

- They invest continuously in business understanding, not just technical updates
- They engage confidently with CEOs and business leaders
- They frame conversations around value, not compliance

India's growth story needs professionals who can bridge **strategy and execution, growth and governance, performance and purpose**.

CMAs are uniquely equipped to play this role—if they choose to step into it.

Conclusion

As India repositions itself in the global economy, the relevance of the CMA profession will be defined by its ability to move beyond reporting and into value creation.

By strengthening competence, embracing sustainability as strategy, and applying practitioner insight to real business problems, CMAs can become architects of India's value-led growth.

The future belongs not to those who merely measure performance—but to those who **design it**.

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India - An Emerging Economic Power in Turbulent Times- A Perspective

Abstract

The Indian Economy's growth the past decade, in both industry and service sectors, is enabled by enactment of investor friendly state-wide policies, as well as central Govt initiatives. Eco-system of start-ups, Global Capability Centres(GCCs), fintechs, emerging technologies of AI , ML , have increased the GDP substantially and India is today the only bright spot in a world where protectionism and tariffs have taken precedence, in capitalist economies and this paper proposes to examine the way to India's growth in future in a changed geo-political spectrum.



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1. INTRODUCTION

The growth of the Indian economy towards USD5trillion is a function of very many factors like a young talent pool, reasonable cost base for resources, investor confidence in financial markets, well regulated and governed by the market regulators and investor friendly policies rolled out by the respective states and central government. The growth of manufacturing and services, extensive adoption of AI tools and applications in business, and in particular that of growth of GCCs, in recent times have contributed to economic growth .This study briefly proposes to examine the same.

2. OBJECTIVES OF STUDY

- To understand the key steps taken by Central govt in terms of policy initiatives for Viksit Bharat and growth of Indian economy .
- To examine the growth and development of GCC as key players in service sector providing employment and contributing to significant part of GDP .
- To create a generic framework for effective linkage between the talent pool available in India and the requirements for industry both in manufacturing and services sector.

3. REVIEW OF LITERATURE

Giri, N., Pavithra, B., et al(2024) AI is being rapidly integrated into a variety of businesses, increasing productivity and driving economic growth. In a number of ways, including automation in manufacturing, individualised healthcare services, e-commerce strategies, fintech innovations, and educational advancements, AI is ushering India into a new era of innovation and competition. Government initiatives also hasten this growth and create an environment that is conducive to AI development. A revolutionary wave of efficiency and creativity is sweeping the nation as artificial intelligence (AI) permeates sectors like manufacturing, healthcare, e-commerce, finance, and education. Industries are becoming more globally competitive as a result of the ensuing automation and enhanced capacities, which is driving economic growth. Additionally, it highlights how government initiatives foster the development of an AI-friendly ecosystem and set the stage for further developments.

Tomar, K. S., Bhattacharjee, M. et al(2024). Although the manufacturing sector holds a pivotal role in India's economic framework, it faces significant obstacles that hinder its potential for global competitiveness. Notwithstanding government programs such as Make in India, which seeks to elevate the sector's GDP contribution from 16-17% to 25% by 2025, its growth remains sluggish due to structural issues including labour market inflexibilities, insufficient infrastructure, and low productivity. Also the overall contribution of India to global manufacturing remains relatively modest at 1.8%, far lower than that of leaders such as China, which stands at 13.7%.

Pradhan, P. K. (2024) Prime Minister Sj. Narendra Damodar Das Modi launched the Make in India campaign on September 25, 2014. The scheme's goal is to give local ideas a global identity. Making the dream a part of the economic movement is the idea behind this. The scheme was recently finished by the ten-year voyage. The goal of Make in India was to establish India as a global centre for manufacturing and design. It attempts to highlight the scheme's ten-year results in relation to different products , scalability , performance and Innovation parameters economic size, and considers products like steel and mobile production, the climate change performance index, and the global innovation index throughout time, with GDP is expected to develop at a 6.7% annual rate and rank third in the world by 2030. .

Jha, S. K., & Seth, A. (2025). This article discusses India's Global Capability Centres (GCCs) transformation from cost aspect to innovation and value development hubs. It discusses different approaches on talents , location, strategies adopted by leaders , challenges in the way forward , and GenAI based on a roundtable with industry experts. The article discusses how GCCs can expand their role in multinational firms, and how it will evolve over time. Business schools' role in shaping GCC leadership is also discussed

Dutta, D., & Deb, A. (2025), provides a detailed examination of India's growth trajectory over the past decade and analyses the policy mechanisms that effectively leveraged the country's growth potential during this timeframe. The initiatives have included significant policy changes like the GST scheme and the promotion of production linked incentives (PLI), alongside enhancements in infrastructure and digital services, as well as a more accelerated approach to foreign trade and investment by the Government. The study also examined the contributions of the services and manufacturing sectors, demographic transition, and the sustainable energy transition. . .

Kumar, N. (2024). India is the fastest-growing big economy after COVID-19. In a fragmented trading system, this essay examines India's growth potential and policy priorities. It claims that India needs a manufacturing-led revolution to achieve a mature economy by 2047 and address employment and balance of payments issues. As global companies shift to China+1 supply chains, India can capitalise on its geopolitical and demographic advantages to meet rising demand and capitalise on digital and green industrial revolutions. It ends with policy lessons for leveraging manufacturing-led development to become a developed nation by 2047.

4. METHODOLOGY

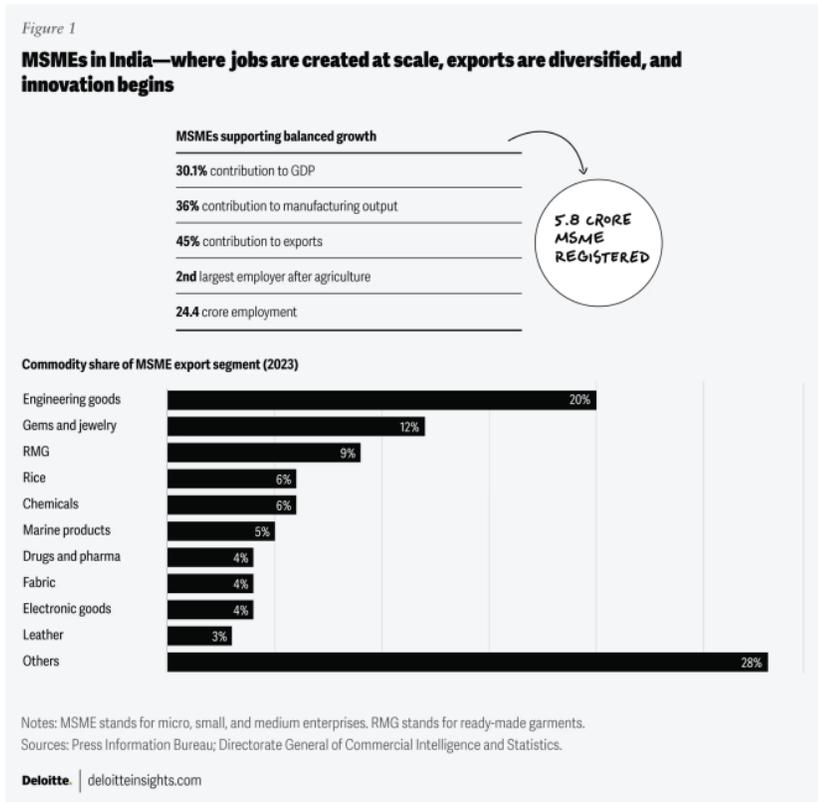
The study uses an exploratory methodology. After reviewing past studies and considering emerging tools and

technologies, the author proposes to develop a framework linking the growth of Indian economy for both Services and manufacturing sector , and its relationship with development of GDP and employment, with particular reference to rise of GCCs in India.

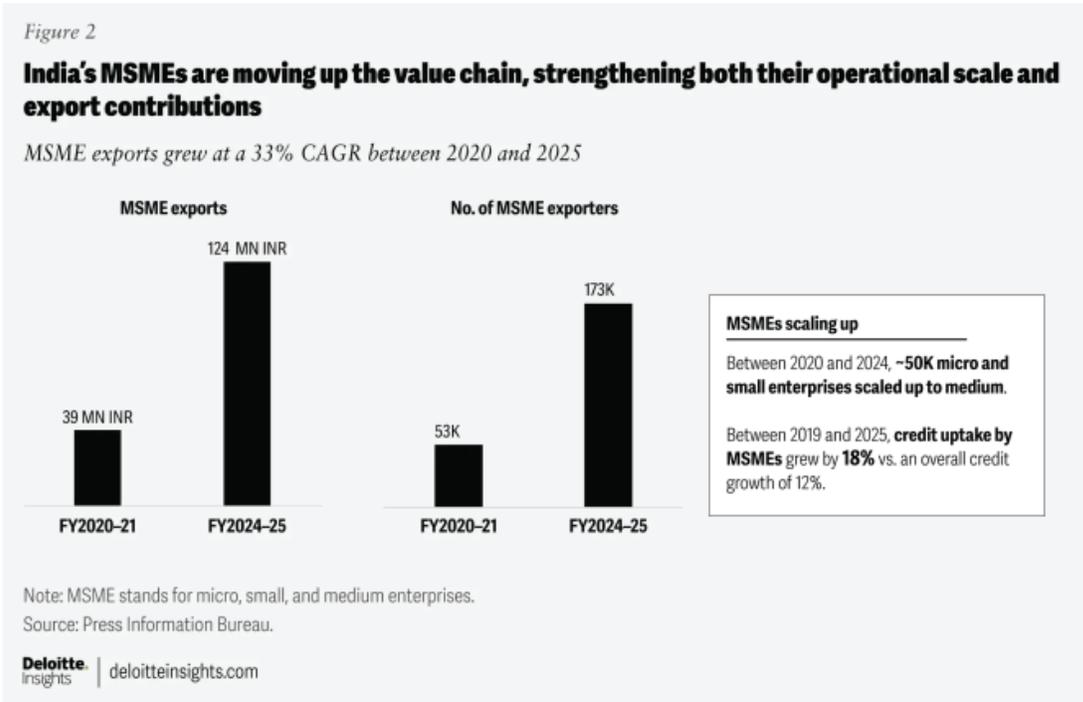
5. DISCUSSION:

- a. To understand the Key steps taken by Central govt in terms of policy initiatives for Viksit Bharat and growth of Indian economy

The central govt has enacted various policies to facilitate growth of the economy like VG Rozgar Yojana, Aajeevika mission, and has also increased the rural employment guarantee to 125days from erstwhile 100days, per year. It has also enacted Productivity linked incentive schemes for manufacturing in new sectors like solar cells, batteries, and wind turbine, increase global competitiveness of Indian industries. The budget also aims to make India a USD30Trillion economy by 2047 .Special focus is placed on empowering youth, women, farmers, and the poor through education, skill development, and targeted welfare schemes, ensuring inclusive growth. The govt has also stressed on increased support and assistance to growth of MSMEs, investments , exports and advancement of technology to facilitate that it acts as growth engine. Indian MSMEs have played a crucial role in country’s growth and are the backbone on which India’s manufacturing and service sectors are built upon. Though supporting large enterprises in their production process as crucial sub- components in the supply chain , it needs to be noted that they contribute to over 30%of GDP, are a crucial source of employment in the industry landscape.

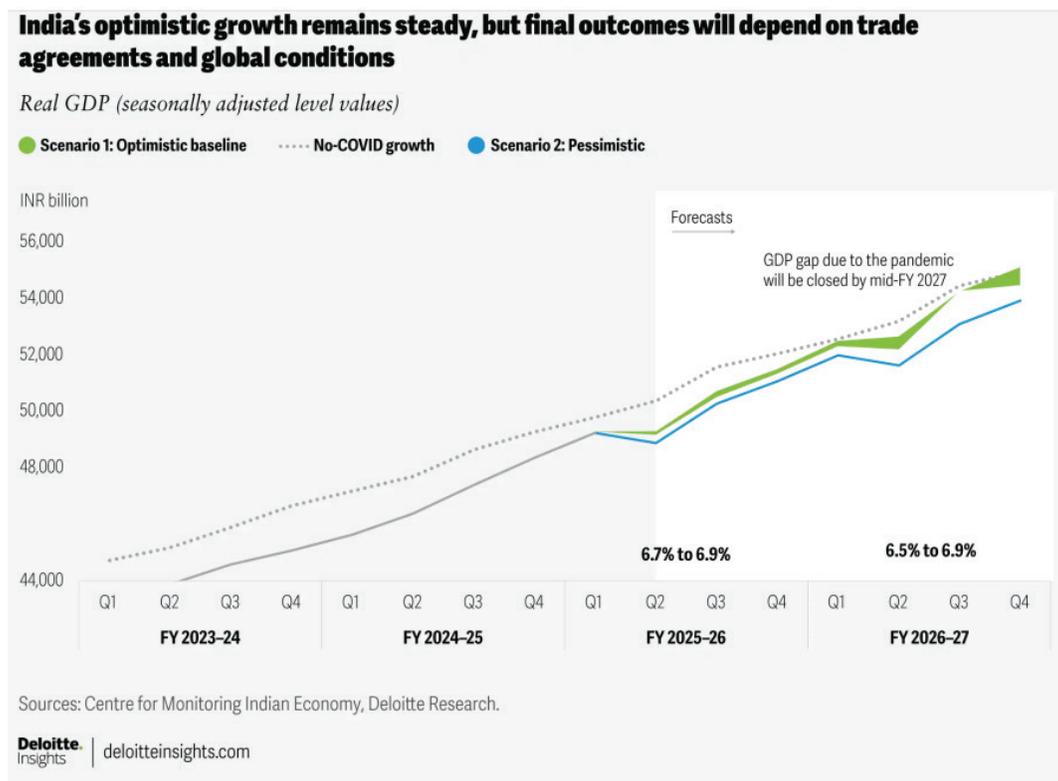


MSMEs are also scaling up, in terms of operations and exports .



Major consulting firms indicate that India's growth will be in the range of 6%- 7% in 2026-27 also, but considerable uncertainty exists in terms of climate of protectionism , and geo-political related trade alignments happening continuously, between different countries and blocks with bilateral treaties and agreements taking precedence over established WTO arrangements.

Fig -3

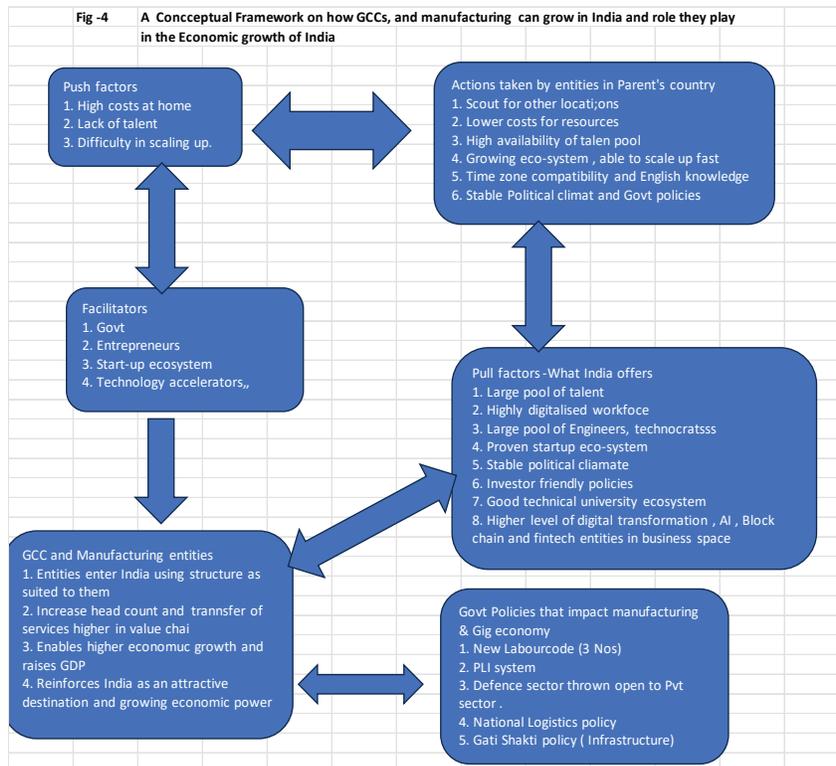


- b. To examine the growth and development of GCC as key players in service sector providing employment and contributing to significant part of GDP.

Global capacity centres (GCCs) have been established and developed in India during the last 20 years. Multinational corporations looking for new markets or efficiencies (in manufacturing, sourcing, supply chain, and product development) first created GCCs in India. In an effort to add value for their parent firms, more than 1,650 multinational GCC companies were based in India as of 2023. GCCs have expanded to offer substantial benefit beyond wage and cost arbitrage, notwithstanding their original purpose. While initially cost arbitrage was the key driver, currently it has matured into efficiency, scaling, innovation, and has transformed in terms of service capabilities and on-time high quality delivery. Currently at least over 2000 GCCs are there in India, projected to reach over 2700 by 2030, with major hubs being Bengaluru, Hyderabad, Pune, Mumbai, Chennai, NCR. These are in various sectors like Information Technology, Information Technology Enabled Services, Pharmaceutical, and Banking, Financial Services, and Insurance sectors, R &D centers for major manufacturing global entities. When businesses think about setting up a GCC in India, they first choose the scope of operations based on the type and complexity of the work to be outsourced inside the GCC and how well it fits with their particular industry and business demands.

Core finance, Decision Support, Risk, governance and treasury, and digital transformation and innovation are being embraced by GCCs. Also Nasscom along with different states have evolved with their own set of policies to attract GCCs. All these help the growth of GCCs and by collaborating with policy makers and academia this can be an enriching experience for the parent entities located in other geographies to develop, and scale their business seamlessly. As countries in the west – US and Europe become more protectionist oriented, the growth of GCCs in India is only likely to accelerate.

- c. To create a generic framework for effective linkage between the talent pool available in India and the requirements for industry both in manufacturing sector and services sector.



In the above table the linkage between different components of how India has been able to capture a high proportion of Industries in the Services sector as also manufacturing sector is being depicted. While Indian

software growth story has been the key behind the entry of GCCs, and shared services centres, accelerated adoption of AI technologies, digital transformation, availability of talent pool and eco-system coupled with favourable Govt policies had been crucial to enable the growth of manufacturing and service industry in India. As can be seen the linkages have a feedback effect which enables the eco-system to feed on the momentum and accelerate growth that gone to a high of 8.2% in Q-2, 2025-26 estimates.

a) LIMITATIONS OF STUDY

This study is exploratory, does not consider any empirical data, and is not empirical.

b) CONCLUSION

The study indicates that given the current growth rate, it will be possible for India to attain a GDP similar to that of the 3rd largest economy. With the liberalised measures and investor friendly govt policies and growing trust, in politically stable and strong economy, with higher internal consumption, India appears to be a bright spot in an otherwise tepid, turbulent and uncertain world, and finds a place of key mention in World Bank, IMF, ADP reports.

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RISE India – Reposition, Intensify, Strengthen, Enhance

Repositioning India and the Cost & Management Accounting Profession

A Viksit Bharat @2047 Perspective

Abstract

The **Viksit Bharat @2047** vision of the Government of India articulates a comprehensive national roadmap to transform India into a developed, inclusive, sustainable, and globally competitive economy by the centenary year of Independence. The vision emphasizes sustained economic growth, technological upgradation, infrastructure development, social empowerment, institutional trust, and environmental sustainability. Achieving these objectives requires not only policy intent but also robust execution mechanisms grounded in efficiency, transparency, and accountability.

Within this national transformation framework, the **RISE India** theme—Reposition, Intensify, Strengthen, Enhance—offers a structured professional response. This article focuses on the foundational sub-theme “**Repositioning India and Cost & Management Accountants (CMAs)**”, arguing that India’s global repositioning and the repositioning of the CMA profession are intrinsically interlinked.

Dr. A. P. J. Abdul Kalam’s guidance to the profession, delivered during the Golden Jubilee of the Institute (then ICWAI, now **The Institute of Cost Accountants of India – ICMAI**), provides a timeless ethical and strategic anchor: “**Profit with integrity leads to sustained growth.**” His insights on competitiveness, real-time cost control, and nation-building partnerships remain highly relevant to the Viksit Bharat @2047 agenda. This article aligns those insights with contemporary Government of India frameworks and outlines how CMAs can serve as strategic enablers of national competitiveness, governance, and sustainable value creation.



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1. Introduction: Why Repositioning Comes First in RISE India

The journey towards **Viksit Bharat @2047** is fundamentally a journey of **repositioning**. Repositioning determines how a nation is perceived, how its institutions function, and how effectively it competes in global markets. Economic size alone does not define a developed nation; rather, it is the **quality of growth**,

the **efficiency of resource utilization**, and the **credibility of institutions** that distinguish developed economies. The **RISE India** framework begins with repositioning because growth acceleration, capability strengthening, and leadership enhancement are meaningful only after roles, responsibilities, and value propositions are clearly redefined. For India, repositioning involves moving decisively from the narrative of an “emerging economy” to that of a **trusted global economic leader**. For the CMA profession, it involves a transition from a predominantly compliance-oriented role to that of a **strategic partner in national development**.

2. Viksit Bharat @2047: The National Repositioning Agenda

2.1 Core pillars of the Vision

The Government of India’s Viksit Bharat @2047 vision identifies development as a multi-dimensional transformation encompassing:

- Sustained and inclusive economic growth
- Technological upgradation and innovation
- Infrastructure creation and modernization
- Social empowerment and human capital development
- Environmental sustainability
- Good governance and institutional trust

These pillars collectively signal that development is not an isolated economic exercise but a **systemic transformation** of the nation’s productive, institutional, and social capacities.

2.2 Repositioning India in the global economic order

Repositioning India implies a shift:

- From **low-cost competitiveness** to **high-value competitiveness**
- From fragmented supply chains to **integrated value networks**
- From opacity and information asymmetry to **transparent, trusted reporting systems**
- From input-based planning to **outcome-based governance**

Such repositioning requires disciplined cost management, performance measurement, and credible disclosures—areas where CMAs possess distinctive expertise.

3. Dr. Kalam’s Enduring Relevance to the Repositioning Discourse

Dr. A. P. J. Abdul Kalam’s engagement with professional institutions reflected his conviction that **national transformation is executed through institutions and professionals**, not policy documents alone. In his address to the Institute during its Golden Jubilee, he articulated principles that align closely with today’s Viksit Bharat discourse.

3.1 Profit with integrity as a development doctrine

Dr. Kalam emphasized that **profit and integrity are not opposing objectives**. Instead, profit earned with integrity leads to sustained growth, institutional trust, and social stability. This philosophy resonates strongly with current Government of India emphasis on responsible business conduct, transparency, and stakeholder confidence.

3.2 Competitiveness as the “law of development”

He described competitiveness as the common driving force for both developed and developing nations, defined by three dimensions:

- Quality of output
- Cost effectiveness
- Timely availability

This framework directly aligns with modern concepts of productivity, efficiency, and time-based competition embedded in national industrial and infrastructure strategies.

4. Repositioning CMAs: From Cost Recorders to Real-Time Guidance Systems

4.1 The missile guidance analogy

One of Dr. Kalam's most insightful contributions was his analogy between **missile guidance systems** and **cost control systems**. He argued that guidance must operate continuously; post-event correction, however accurate, cannot salvage a failed mission. This analogy fundamentally redefines the CMA's role.

In a Viksit Bharat context, CMAs must function as:

- **Real-time guidance and control systems**
- **Early warning and corrective action enablers**
- **Integrators of cost, time, and performance metrics**

4.2 Strategic repositioning of the CMA role

Repositioned CMAs are no longer limited to historical analysis. They are expected to:

- Participate in strategic planning and investment decisions
- Design cost systems aligned with market realities
- Support outcome-based governance and accountability
- Act as custodians of ethical and transparent reporting

This repositioning makes the profession directly relevant to national development outcomes.

5. Competitiveness, Cost Leadership, and Productivity: The CMA Toolkit

5.1 Market-driven costing

Dr. Kalam noted the paradigm shift from “**cost plus profit equals price**” to “**selling price minus margin equals allowable cost**”. This reflects the reality of competitive global markets, where prices are externally determined and cost discipline becomes the key lever of profitability.

CMAs enable this shift through:

- Target costing and value engineering
- Lifecycle costing and design-to-cost approaches
- Continuous improvement and Kaizen costing

5.2 Productivity as a national metric

Viksit Bharat @2047 implicitly demands higher productivity of capital, labour, energy, and materials. CMAs contribute by:

- Measuring unit costs and productivity ratios
- Identifying bottlenecks and inefficiencies
- Supporting data-driven operational improvements

6. Repositioning India through Infrastructure and Outcome-Based Governance

Infrastructure development is a cornerstone of the Viksit Bharat vision. However, infrastructure quantity alone is insufficient; **cost effectiveness, durability, and lifecycle value** are equally critical.

6.1 Lifecycle costing and value for money

Dr. Kalam urged the profession to strengthen lifecycle costing and value engineering for infrastructure projects to ensure faster development at reduced cost. This aligns with Government emphasis on **value for public money**.

CMA's add value by:

- Integrating capex, opex, and maintenance costs
- Supporting transparent procurement and contract management
- Enabling performance monitoring and outcome measurement

6.2 Transforming governance through measurement

The shift from outlays to outcomes in public programs requires robust measurement frameworks. CMA's support this transformation through:

- Cost-benefit and impact analysis
- Performance dashboards and KPIs
- Internal controls and audit readiness

7. Indigenous Capability, Self-Reliance, and Cost Innovation

Dr. Kalam's reflections on overcoming technology denial in strategic programs underline a key message: **self-reliance must be achieved through disciplined management, not inefficiency**.

CMA's play a critical role in:

- Indigenous sourcing and supplier development
- Cost innovation under constraints
- Structured decision-making in mission-mode programs

This approach aligns seamlessly with the Viksit Bharat emphasis on **self-reliant yet globally competitive growth**.



8. Inclusive Development and Economic Connectivity

Inclusive growth is a defining feature of the Viksit Bharat vision. Dr. Kalam's PURA concept highlighted the importance of connectivity—physical, electronic, and knowledge—for economic empowerment.

CMAs contribute to inclusive development by:

- Designing viable costing models for MSMEs and cooperatives
- Supporting agro-processing and rural enterprises
- Measuring social and economic impact alongside financial viability

9. Financial Trust, Transparency, and Sustainability Reporting

9.1 Repositioning India as a Trusted Investment Destination

In today's global economy, financial trust has become as important as financial performance. Investors no longer look only at profits or growth numbers. They increasingly want to understand how profits are earned, how risks are managed, and whether growth is sustainable in the long run. Transparency, good governance, and responsible business conduct are now central to investment decisions.

For India, which aspires to become a developed nation under the Viksit Bharat @2047 vision, building and maintaining this trust is critical. A country that is perceived as transparent, well-governed, and responsible attracts long-term capital, stable partnerships, and global confidence. Conversely, lack of clarity in disclosures or weak governance structures can raise concerns, increase the cost of capital, and slow down investment inflows.

Recognising this global shift, India has taken several important steps to strengthen its reporting and disclosure framework. One of the most significant among these is the introduction of Business Responsibility and Sustainability Reporting (BRSR) for listed entities. BRSR moves corporate reporting beyond traditional financial statements and brings environmental, social, and governance (ESG) aspects into the mainstream.

The objective of BRSR is simple yet powerful:

to ensure that companies clearly disclose how their business activities impact society, the environment, employees, customers, and other stakeholders, and how these factors are managed at the board and management level.

By adopting BRSR, India has sent a clear signal to global investors that:

Responsible business conduct is not optional but essential

Sustainability is not a public relations exercise, but a governance priority

Non-financial information must be measurable, comparable, and reliable

To further strengthen credibility, the introduction of BRSR Core represents the next step in India's reporting journey. BRSR Core focuses on a defined set of key ESG indicators and places emphasis on assurance, internal controls, and value-chain disclosures. This ensures that sustainability information is not merely narrative in nature, but is supported by data, systems, and verification processes.

Together, BRSR and BRSR Core help reposition India as a trusted investment destination in three important ways:

1. Improved Transparency:

Investors receive consistent and structured information on ESG performance, making it easier to compare Indian companies with global peers.

2. Stronger Governance:

Boards and senior management are required to take ownership of sustainability risks and opportunities, integrating them into business strategy rather than treating them as compliance items.

3. Long-term Confidence:

Reliable disclosures reduce uncertainty and help investors assess long-term value creation, which is essential for attracting patient and responsible capital.

In this evolving landscape, transparency is no longer just about disclosure—it is about credibility. Sustainability reporting, when supported by robust systems and ethical intent, strengthens India's institutional trust. This trust, in

turn, supports the broader national objective of sustained growth, global competitiveness, and responsible development envisioned under Viksit Bharat @2047.

9.2 The CMA as a trust architect

CMAs are uniquely positioned to:

Design ESG and BRSR data systems

Ensure internal controls and assurance readiness

Prevent greenwashing through robust measurement

Here, Dr. Kalam's principle of **profit with integrity** finds modern expression in credible sustainability reporting and governance assurance.

10. Dr. Kalam's Message to the CMA Profession ((Golden Jubilee Address)

- Promote **profit with integrity** as the core professional and national principle.
- Treat **cost control as real-time guidance**, not post-event analysis.
- Reduce the cost of **indigenous manufacturing and exports** to strengthen competitiveness.
- Partner with **scientists, technologists, and administrators** in nation-building initiatives.
- Strengthen **cost audit, lifecycle costing, and value engineering** across sectors.
- Uphold **ethics as the foundation of national prosperity**.

— Synthesized from Dr. A. P. J. Abdul Kalam's Golden Jubilee Address to the Institute (ICWAI; now ICAI).

11. Conclusion: Repositioning as the Foundation of Viksit Bharat @2047

Repositioning is the most critical step in the RISE India framework because it reshapes mindsets, roles, and institutional purpose. India's journey to Viksit Bharat @2047 requires not only policy ambition but also **execution discipline, ethical leadership, and measurable outcomes**.

By repositioning CMAs as real-time guidance systems, cost leaders, governance enablers, and trust architects, India strengthens the institutional backbone necessary for sustainable and inclusive prosperity. Dr. Kalam's Golden Jubilee message remains a powerful compass: **integrity and competitiveness must advance together**. When this principle guides professional practice, the vision of Viksit Bharat @2047 moves decisively from aspiration to achievement.

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RISE India: CMAs Powering GCCs

Abstract

India's Global Capability Centres (GCCs) have transitioned from cost arbitrage to innovation leadership, hosting 1,700+ centres and 1.9 million professionals with projected revenues of US\$99–105 billion by 2030. This paper operationalises the **RISE framework—Reposition, Intensify, Strengthen, Enhance**—for Cost and Management Accountants (CMAs) in GCCs, integrating 2024–25 evidence on scale, AI adoption, reporting and assurance (Ind AS, BRSR Core), and Fortune 500 dynamics. The framework positions finance as a strategic nerve-centre, embeds AI economics through Total Cost & Value (TCV) models, unifies Ind AS and ESG reporting, and institutionalises capability via E³ scorecards. A metrics catalogue translates strategy into operating signals across four pillars: **Innovation & AI** (AI ROI%, cost-to-decision, model assurance coverage), **Finance & Value** (time-to-value, unit economics, portfolio kill ratio), **ESG & BRSR** (assured KPIs%, Scope 3 cost intensity, environmental cost curves), and **Talent & Leadership** (global roles, AI/ML COEs, skills maturity index). By linking governance, technology, and sustainability, the RISE framework enables CMAs to lead GCCs as decision offices for intelligent, ethical, and sustainable growth.



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1. India's GCC Scale & Trajectory

India's GCC landscape is now a multi-functional, innovation-led fabric spanning product engineering, cloud/AI platforms, finance operations, risk, and sustainability analytics.

Centres in Bengaluru and Hyderabad continue to concentrate deep-tech and AI talent alongside ER&D and platform engineering, while Chennai, Pune, NCR, and Mumbai add regulatory, finance, and domain capability depth.

The growth in AI/ML Centres of Excellence and shared accountability for global decisions inside GCCs signals a structural shift: India-based teams are not merely executing; they are designing, governing, and scaling outcomes that move enterprise P&L.

For CMAs, this alters the mandate from cost stewardship to value stewardship—combining unit economics, portfolio governance, and assurance-aware reporting to accelerate time-to-value and reduce value-at-risk.

Risk considerations (cyber, data privacy, model risk) and supply-chain resilience (Scope 3 data and assurance) elevate the need for finance-led control frameworks that remain agile as product, data, and model lifecycles compress.

The next arc of scale is defined by ‘autonomy with accountability’: using agentic workflows to compress decision cycles while maintaining explainability, fairness, and cost discipline.

India hosts 1,700+ GCCs, ~1.9 million professionals and US\$64.6 billion in FY2024 export revenue; projections indicate US\$99–105 billion by 2030, with 2,100–2,200 centres and 2.5–2.8 million jobs.

Table 1. India GCC scale and 2030 outlook

Indicator	FY2024 (baseline)	2030 (projection)
Export revenue (US\$ bn)	64.6	99–105
GCC count (centres)	1,700+	2,100–2,200
Employment (million)	≈1.9	2.5–2.8
New centres added (FY2019–FY2024)	≈400+	—

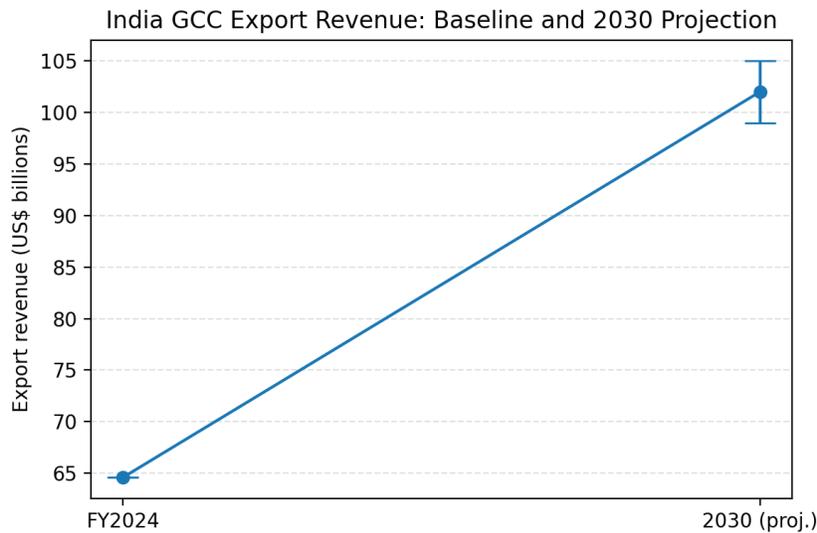


Figure 1. GCC export revenue—baseline (FY2024) and projection (2030).

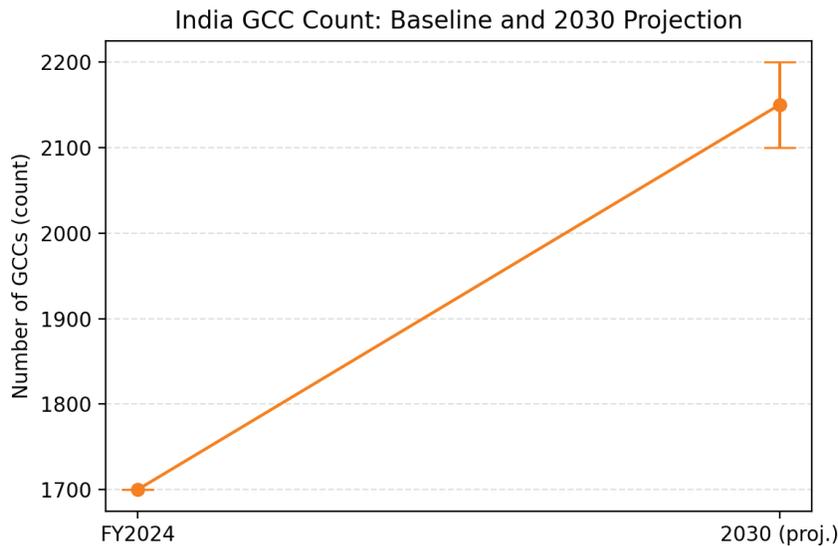


Figure 2. GCC count—baseline (FY2024) and projection (2030).

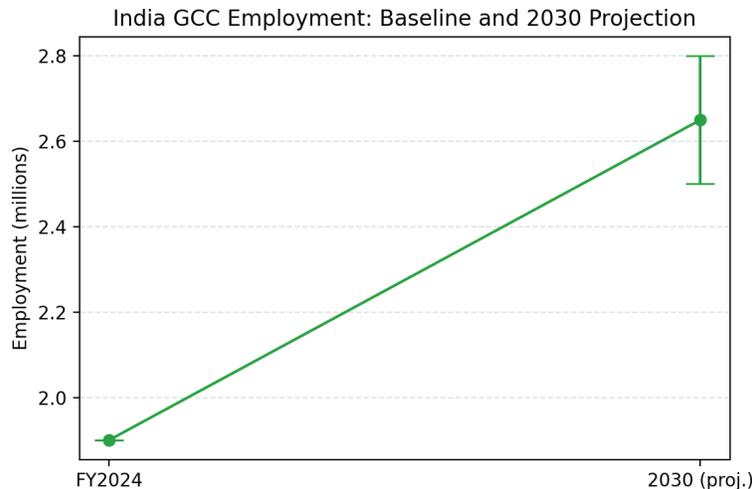


Figure 3. GCC employment—baseline (FY2024) and projection (2030).

2. The RISE Framework for CMAs in GCCs

R — Reposition finance as a strategy nerve-centre. Translate enterprise strategy into measurable outcomes (value at risk, time-to-value, innovation ROI) and govern portfolios with stage-gates and kill-or-scale thresholds.

CMA actions:

- Lead business-native finance partnering translate enterprise strategy into measurable outcomes (value at risk, time-to-value, innovation ROI) embedded in quarterly OKRs.

I — Intensify digital value creation (AI, data, analytics). Establish an AI Total Cost & Value (TCV) ledger using ABC/LCC, link Responsible-AI assurance to KPIs, and track economics of autonomy (cost-to-decision, cycle-time delta).

CMA actions:

- Build an AI Total Cost & Value (TCV) model—covering model training/inference, data pipelines, platforms, assurance, and productivity capture—using activity-based costing (ABC) and life-cycle costing (LCC).

S — Strengthen reporting competence (Ind AS, ESG, BRSR). Unify Ind AS management reporting with BRSR Core dashboards; operationalise ESG costing; implement value-chain data controls for Scope 3.

CMA actions:

- Design an Integrated Performance Reporting (IPR) stack:

E — Enhance capability and ecosystem leverage. Launch capability academies (Ind AS–IFRS; ESG assurance; AI–finance; cloud FinOps) and institutionalise E³ scorecards (Effectiveness–Efficiency–Ethics) tied to compensation.

CMA actions:

- Build skills architecture: IFRS/Ind AS fluency; ESG/BRSR analytics; AI governance; data monetisation economics; cyber-finance; sustainability-linked budgeting. (Synthesised practice; no external citation.)

3. Digital Momentum—AI & Data Adoption at Scale

AI adoption has matured from pilots to production.

As agentic workflows take root, the role of CMAs is to make autonomy economically legible and ethically governed.

Construct cost models that distinguish between exploration (R&D-like), exploitation (production-grade), and scaling (platform/COE) phases.

Define decision classes where autonomy is permitted (e.g., invoice coding, fraud triage, anomaly detection) and where human-in-the-loop remains mandatory (e.g., impairment judgments, policy exceptions).

Embed model assurance costs—validation, monitoring, re-training—into business cases so ROI accounts for lifecycle quality.

Track +/- variance in decision outcomes and allocate improvement gains to value pools (margin, risk reduction, customer experience).

Upskilling is essential: combine finance, data, and model-risk fluency through blended programs and on-the-job rotations inside AI/ML COEs.

India GCCs report strong AI momentum: 58% investing in Agentic AI, 83% with active GenAI programs; 67% have dedicated innovation teams; 52% share accountability for global decisions; and 81% are upskilling on GenAI.

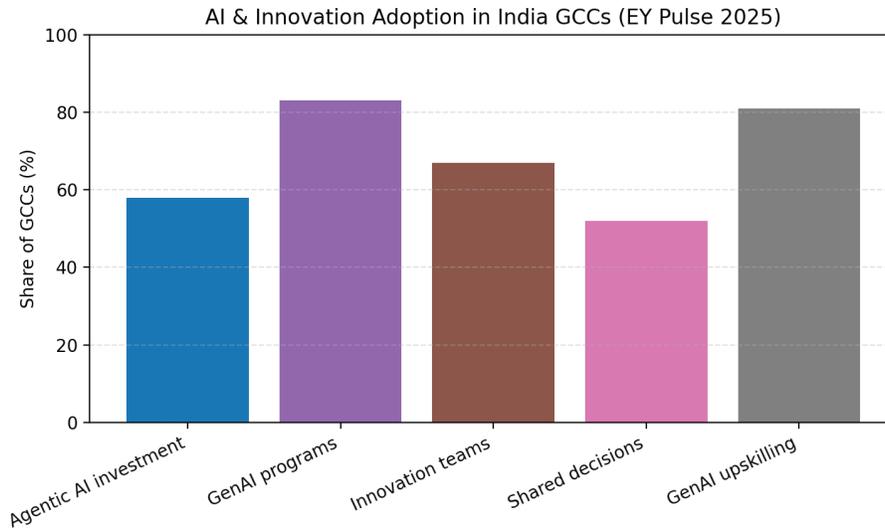


Figure 4. AI & innovation adoption signals across India GCCs (EY GCC Pulse 2025).

4. Reporting & Assurance—BRSR Core and Ind AS Updates

SEBI’s BRSR Core introduces a phased assurance glide path and ESG value-chain disclosures; Ind AS continues to converge with IFRS with 2025 amendments.

Table 2. BRSR Core—Assurance glide path (listed entities)

Financial Year	Applicability (by market cap)	Assurance requirement
FY2023–24	Top 150 of Top 1000	Mandatory reasonable assurance
FY2024–25	Top 250 of Top 1000	Mandatory reasonable assurance
FY2025–26	Top 500 of Top 1000	Mandatory reasonable assurance
FY2026–27	Top 1000 listed entities	Mandatory reasonable assurance

5. Fortune 500 GCC Footprint—India as Second HQ

The ‘second HQ’ dynamic is visible in Fortune enterprises that base global mandates—platform engineering, CFO services, risk operations—in India.

GCCs that succeed tend to operate as portfolio hubs with product, platform, and services roadmaps under unified governance.

CMAs can sharpen the business case by quantifying talent arbitrage plus innovation advantage (time-zone coverage, diverse skills, proximity to partner ecosystems).

City selection should reflect function mix: Bengaluru/Hyderabad for deep engineering and AI; Chennai/Pune for enterprise apps and finance ops; NCR/Mumbai for governance, risk, and client proximity.

An intentional leadership architecture—India-based VPs/Directors with dotted-line accountability to global P&L—helps embed decision rights and narrative discipline.

ANSR–UnearthInsight show 174 Fortune 500 companies operating 390+ centres with 950,000+ professionals in India; Bengaluru and Hyderabad together host over 200 centres.

Table 3. Fortune 500 GCCs in India—Selected indicators

Indicator	Value
Companies with GCCs (count)	174 of Fortune 500
Centres (count)	390+
Professionals (count)	950,000+

6. Applying RISE—A Practitioners’ Playbook (12–18 months)

A 12–18 month playbook benefits from phased execution.

****0–90 days (Foundations):**** Stand up a strategy-to-finance value map and portfolio council; baseline AI TCV and cloud FinOps; draft the unified reporting pack skeleton (Ind AS vs BRSR/BRSR Core).

Launch pilot capability academy cohorts and define E³ scorecard targets.

****90–180 days (Build & Prove):**** Implement stage-gated investment governance with kill-or-scale thresholds; publish first AI ROI statement; operationalise ESG costing for carbon/water/waste in two pilot value streams; stand up Scope 3 data controls for a priority supplier segment.

****180–360 days (Scale & Assure):**** Expand agentic workflows with finance-approved guardrails in two additional functions; reach reasonable assurance readiness for BRSR Core KPIs; merge Ind AS and ESG dashboards into monthly management reporting; embed E³ scorecards into performance cycles and compensation.

Pillar	Deliverables	Outcome Metrics
Reposition	Strategy→finance value maps; portfolio stage-gates; global roles readiness	Innovation ROI; portfolio kill ratio; unit economics
Intensify	AI TCV ledger; agentic guardrails; autonomy economics tracking	AI ROI%; cost-to-decision; cycle-time delta
Strengthen	Unified Ind AS + BRSR Core reporting; ESG cost books; value-chain data controls	Assured KPIs%; Scope 3 cost intensity; water/waste cost curves
Enhance	Capability academies; E ³ scorecards tied to compensation	Effectiveness–Efficiency–Ethics composite score

7. Metrics Catalogue—From Evidence to Execution

Track innovation & AI (AI ROI%, cost-to-decision, assurance coverage), finance & value (time-to-value, unit economics, portfolio kill ratio), ESG & BRSR (assured KPIs%, Scope 3 cost intensity, water/waste cost curves), and talent & leadership (global roles, AI/ML COEs, skills maturity index).

Metrics must translate strategy into repeatable operating signals. Below are structured operating signals grouped under four pillars: Innovation & AI, Finance & Value, ESG & BRSR, and Talent & Leadership. Each metric includes ownership, cadence, and assurance guidance.

Innovation & AI Metrics

Metric	Definition	Target	Owner	Cadence	Data Source	Assurance
AI ROI (%)	(Realised Benefits – AI TCV) / AI TCV	≥ 25%	Finance	Quarterly	AI TCV ledger	Independent validation

Cost-to-decision (₹/decision)	Ops cost / decisions automated	↓30–50%	Ops + Finance	Monthly	Workflow telemetry	Variance analysis
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Finance & Value Metrics

Metric	Definition	Target	Owner	Cadence	Data Source	Assurance
Time-to-value (TTV)	Days from approval to value	≤90 days	Portfolio Council	Quarterly	Stage-gate logs	Evidence of value

ESG & BRSR Metrics

Metric	Definition	Target	Owner	Cadence	Data Source	Assurance
Assured BRSR Core KPIs (%)	% KPIs under assurance	≥80%	Sustainability	Quarterly	BRSR registry	Workpapers maintained

Talent & Leadership Metrics

Metric	Definition	Target	Owner	Cadence	Data Source	Assurance
Global roles in India	Count, % women leaders	≥20 roles	HR	Quarterly	HRIS	Role definition documented

8. Conclusion—From Competence to Leadership

India's GCCs have entered a phase where advantage is defined by intelligent autonomy, integrated reporting, and capability velocity.

CMAs can lead this phase by owning the economics of innovation and the ethics of scale—hardwiring strategy-linked finance, governing AI responsibly, unifying Ind AS with BRSR Core, and institutionalising capability through E³ scorecards.

The RISE framework offers a way to make that leadership practical and measurable.

With disciplined portfolio governance, AI TCV and ROI transparency, assurance-ready reporting, and a durable skills architecture, GCCs can serve as command centres for sustainable growth—where India is not just the back office, but the decision office.

India's GCCs are consolidating an arc from arbitrage to advantage. With RISE, CMAs can hardwire strategy-linked finance, govern AI economics responsibly, unify Ind AS with BRSR Core, and scale capabilities via E³ scorecards—turning GCCs into command centres for intelligent, sustainable operations.

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RISE India: Repositioning India through CMA-Led Sustainable Growth Framework

A CMA-Led Framework for Sustainable Growth, Cost Leadership, and National Transformation

Abstract

In the evolving global economic landscape, India stands at a critical inflection point where scale-driven growth must transition to **value-driven, cost-efficient, and innovation-led development**. This paper presents “**RISE India – Repositioning India**” as a strategic national framework viewed through the lens of **Cost and Management Accountancy (CMA)**. While India has achieved macroeconomic scale, persistent challenges relating to cost inefficiencies, productivity gaps, execution risks, and outcome measurement constrain long-term competitiveness. Using a qualitative and analytical approach, this paper examines the **RISE framework—Reform, Innovate, Scale, and Empower**—and positions CMAs as key enablers of governance efficiency, cost leadership, performance management, and sustainable value creation. The study argues that India’s successful repositioning requires CMA-driven discipline in planning, execution, and measurement to achieve inclusive and globally competitive growth.



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Introduction: The Strategic Imperative for CMAs

India’s growth story since economic liberalization has been remarkable; however, the next phase of development demands a shift from **growth in numbers to growth in value**. Global disruptions—ranging from digital transformation and supply chain realignments to climate commitments—have elevated the importance of **cost optimization, productivity enhancement, and outcome-based governance**. In this context, CMAs are uniquely positioned as **strategic partners in national development**, bridging policy intent and execution. The **RISE India – Reposition** framework provides an opportunity to institutionalize CMA competencies at the core of India’s transformation agenda.

Repositioning India: A Cost and Value Perspective

Repositioning India is not merely a policy reset but a **strategic reorientation of how resources are planned,**

deployed, and evaluated. Rising global competition, automation, and environmental constraints require India to move beyond low-margin expansion toward **cost leadership combined with innovation**. This transformation demands rigorous cost intelligence, value-chain analysis, and performance measurement—core domains of CMA expertise. Without such discipline, even well-intentioned reforms risk underperformance.

The RISE Framework Through a CMA Lens

Reform – Governance, Accountability, and Cost Transparency

Reform focuses on regulatory efficiency, institutional accountability, and fiscal discipline. CMAs contribute by designing **outcome-based budgeting systems**, cost audits, and performance scorecards that link public expenditure to measurable results. Their role strengthens transparency and ensures value-for-money in both public and private sectors.

Innovate – Value Engineering and Sustainable Innovation

Innovation must be economically viable and scalable. CMAs enable innovation through **value engineering, lifecycle costing, and strategic investment appraisal**, ensuring that technological advancement aligns with long-term financial sustainability and national priorities.

Scale – Cost Competitiveness and Operational Excellence

Scaling manufacturing, infrastructure, and MSMEs requires global cost competitiveness. CMAs support scaling by optimizing supply chains, improving productivity metrics, and integrating MSMEs into global value chains through **cost benchmarking and operational analytics**.

Empower – Human Capital and Inclusive Growth

Empowerment involves building future-ready skills, financial inclusion, and workforce productivity. CMAs play a key role in evaluating **returns on skill investments**, designing incentive structures, and ensuring equitable and efficient deployment of human capital.

India's Global Repositioning and the CMA Advantage

A repositioned India must evolve from being cost-efficient to being **cost-intelligent and value-led**. Strategic pricing, sustainability accounting, and ESG performance measurement—areas increasingly relevant globally—are domains where CMAs provide decisive leadership. By embedding cost and performance analytics into global trade, manufacturing, and climate initiatives, India enhances its credibility as a reliable global partner.

Execution Challenges: The CMA as an Implementation Catalyst

Policy execution remains India's greatest challenge. Fragmented governance, weak monitoring, and inefficient capital utilization dilute outcomes. CMAs act as **execution catalysts**, enabling integrated planning, real-time performance tracking, and corrective action mechanisms. Their involvement reduces policy slippage and strengthens institutional capacity.

Policy and Professional Implications for the CMA Community

The paper recommends:

- Formal integration of CMAs in **public policy design, implementation, and review**
- Adoption of **outcome-based budgeting and performance audits** across government programs

- Expanded CMA involvement in **infrastructure, MSMEs, ESG reporting, and digital governance**
- Strengthening CMA education toward **strategy, analytics, sustainability, and public finance**

These measures elevate the CMA profession from a support function to a **strategic pillar of national development**.

Conclusion: CMAs as Architects of India's Repositioning

The **RISE India – Repositioning India** framework aligns seamlessly with the evolving role of CMAs as architects of sustainable growth, cost leadership, and execution excellence. Repositioning India is not achievable through policy vision alone—it requires disciplined implementation, continuous measurement, and value-based decision-making. By placing CMAs at the centre of this transformation, India can convert its economic potential into durable global leadership and inclusive prosperity.

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IFAC,
IMA (USA)

Building Future-Ready CMAs for Rise India

Abstract

As India advances towards Viksit Bharat 2047, the CMA profession must evolve to meet new economic, technological and governance challenges. Strengthening competence and capability is central to this transformation. This article examines how CMAs can build future-ready skills in digital transformation, analytics, sustainability and leadership to support the RISE India vision and enhance professional relevance across manufacturing and service sectors.



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Introduction

India is at a defining stage of economic transformation. Industrial expansion, digital adoption, sustainability imperatives and governance reforms are reshaping the business landscape. As the nation progresses towards Viksit Bharat 2047, organizations require professionals who can combine financial discipline with strategic foresight.

Cost and Management Accountants (CMAs) have traditionally supported cost efficiency and performance management. However, expectations from the profession have expanded significantly. CMAs are now expected to contribute to strategic decision-making, digital transformation and sustainable value creation.

Strengthening competence and capability is therefore essential to reposition the CMA profession and align it with the broader RISE India framework—Reposition, Intensify, Strengthen and Enhance.

Evolving Role of CMAs in RISE India

The RISE India framework highlights the growing need for professionals who can integrate finance, operations, technology and sustainability. Businesses operate in complex ecosystems influenced by global competition, digitalization and stakeholder expectations.

CMAs are uniquely positioned to support this transformation. Their expertise enables organizations to improve cost competitiveness, enhance productivity, strengthen governance and make informed strategic decisions. To fulfil this role effectively, CMAs must continuously upgrade their professional competence and capability.

Technical and Professional Competence as the Foundation

Strong technical competence remains the backbone of the CMA profession. Expertise in cost management, financial management, performance evaluation, internal controls and compliance is essential.

With increasing regulatory complexity and evolving reporting requirements, CMAs must apply professional judgment rather than rely only on rule-based approaches. Continuous professional development ensures accuracy, consistency and reliability in professional work.

Technical excellence builds credibility and trust. It enables CMAs to participate confidently in leadership, advisory and decision-support roles.

Digital Transformation and Technology Enablement

Digital transformation is reshaping how organizations operate and report performance. Automation, analytics, artificial intelligence and integrated systems are now central to business decision-making.

CMAs must strengthen their capabilities in ERP and digital finance platforms, data analytics and visualization, and automation of reporting and internal controls. Technology enhances efficiency and insight. A digitally enabled CMA can analyze trends faster, assess risks more effectively and support timely decisions. Technology does not replace professional judgment; it strengthens it.

Future Technologies and Industry 5.0

Emerging technologies such as artificial intelligence, advanced analytics and Industry 5.0 are redefining how organizations operate and compete. These developments demand a new level of professional competence from CMAs. Beyond understanding technology, CMAs must interpret technology-driven insights and translate them into business value. AI-enabled forecasting, predictive cost modeling and real-time performance dashboards enhance decision quality, but only when guided by sound professional judgment. By strengthening capabilities in these areas, CMAs can support smarter resource allocation, resilience in supply chains and human-centric productivity. This future-ready competence positions CMAs as strategic enablers of innovation, sustainability and inclusive growth in India's evolving economic ecosystem.

Analytics-Driven Decision Making

Modern organizations demand insight, not just information. CMAs must move beyond preparing historical reports and actively support forward-looking decisions.

This requires strong analytical capability in forecasting and budgeting, scenario and sensitivity analysis, risk assessment and performance benchmarking. Analytics-driven competence allows CMAs to support capital allocation, pricing strategies and cost optimization initiatives. It elevates their role from support function to strategic partner.

Integrated Reporting, Sustainability and ESG

Sustainability and integrated reporting have become critical to stakeholder confidence and long-term value creation. Businesses are expected to demonstrate responsible governance, environmental stewardship and social accountability.

CMAs play a critical role in supporting integrated reporting frameworks, measuring sustainability performance and ensuring reliability and consistency of ESG-related data. Strengthening capability in these areas enables CMAs to align financial performance with long-term strategic objectives and responsible business practices.

Industry and Sectoral Understanding

India's ambition to become a global manufacturing and service hub requires professionals with deep industry understanding. CMAs must understand how value is created across different sectors.

This includes knowledge of manufacturing processes and cost drivers, supply chain and logistics efficiency, and

service delivery and performance models. Industry understanding enables CMAs to design effective costing systems, improve productivity and support operational excellence across manufacturing and service leadership domains.

Leadership, Communication and Professional Capability

Competence alone is not sufficient. Capability also includes leadership and communication skills.

Effective CMAs must be able to communicate complex financial insights clearly, influence management decisions, collaborate across functional teams and lead transformation initiatives. Clear communication ensures that insights are understood and acted upon. Leadership capability enables CMAs to guide organizations through change and uncertainty.

Ethics, Governance and Professional Integrity

As organizations grow and become more complex, ethical challenges increase. CMAs act as custodians of integrity, transparency and good governance.

Strengthening professional capability includes ethical decision-making, professional skepticism and strong governance frameworks. Ethical competence safeguards organizational reputation and reinforces public trust in the CMA profession. It aligns with India's vision of sustainable and responsible economic growth.

Global Benchmarking and Continuous Evolution

The CMA profession operates in a global environment. Benchmarking with international management accounting practices strengthens professional relevance and competitiveness.

Continuous learning, adaptability and exposure to global standards enable CMAs to meet international expectations and expand professional opportunities across borders.

Contribution to Viksit Bharat 2047

Strengthening CMA competence and capability directly supports India's long-term development goals. Competent professionals enable better governance, improved productivity and sustainable growth.

By evolving with changing business needs, CMAs contribute meaningfully to the national vision of Viksit Bharat 2047 and reinforce their role as catalysts of economic progress.

Conclusion

The future of the CMA profession depends on its ability to evolve with changing business ecosystems. Strengthening competence and capability is a continuous journey.

By integrating technical excellence, digital skills, analytics, sustainability understanding and leadership capability, CMAs can reposition themselves as strategic leaders. This transformation aligns fully with the RISE India vision. Strong professionals build strong organizations. Strong organizations build a strong nation.

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Essentials for Strengthening our Competencies and Capabilities

Abstract

This article explores practical strategies for strengthening personal competencies and capabilities while managing everyday responsibilities. It emphasizes the importance of timefulness, execution excellence, and balancing perfection with efficiency. Drawing insights from real-life experiences and thought leaders, it advocates conscious time allocation, action over planning, and resilience through flexibility, helping professionals sustain growth and creativity in a fast-paced world.



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In our career or life, one of the key challenges we all grapple with is mastering the art of improving our skillsets, capabilities and competencies alongside performing our BAU (Business As Usual) activities. We look forward for a conducive environment and timeslots to work on these aspects. Often, we deplete our energies in the swirl of fulfilling our day jobs and wind up with a sense of inability to accomplish what we desired. In this article, I reflected on some of the aspects that may support us in our pursuit of excellence when we embrace them.

Timefulness

Time is like water or fire, it carries no moral value on its own. It is its application that determines its impact. For example, water nourishes both seeds and weeds equally; fire can cook a nourishing meal or destroy a home. In the same way, time becomes our ally when used wisely, and a source of disorder when ignored.

A few weeks ago, I was at an event where I had the opportunity to interact with many friends. I asked each of them a simple question:

“If you were granted an extra 30 minutes each day, how would you use it?”

The responses were heartwarming. Some said they’d spend it with family. Others wanted to pursue interests like playing the guitar, meditating, exercising, or reading. I continued this conversation with several others after the event. What stood out to me was that while it’s easy to say people lack prioritisation skills, the truth is, it’s not as simple as that.

To me, the cornerstone of time management is awareness, staying conscious of time while engaging in any activity.

Let’s say I plan to go to the gym every morning. On a particular day, urgent office work demands my attention.

I sit down to finish it, thinking it'll take 15 minutes, but it stretches beyond that. Now I face a choice: should I stop and go to the gym, or skip the gym and continue working?

More often than not, we choose work. Skipping the gym for a day doesn't show immediate consequences. But the anxiety of disappointing our boss or team looms large, and that pushes us toward work. In such moments of mutually exclusive choices, how we decide becomes critical. It's much like capital budgeting where we allocate our limited capital (or time) to the option with the highest return.

It's okay to skip the gym for a day or two. But doing so for several days in a row makes it harder to return to the routine.

We all know that tasks, both at home and at work, are endless. Even if we worked 24 hours a day, we wouldn't complete everything. That's reality. And while fulfilling responsibilities, we often postpone our passions to a future that keeps moving further away.

So, what can we do?

One approach is to ration the time we have. Let's say I have 30 minutes free in the morning before starting work. I may not be able to devote all 30 to my interests. There might be pressing tasks at home or a meeting to prepare for. If I consciously split the time, say 15 minutes for exercise and 15 for work prep, I still remain in the game. Even a short session keeps me connected with my passion.

Some days, I may get just 5 minutes. But even then, it's better to do a little than none at all.

It's ironic that many of us lament about lack of time but spend hours on social media or other distractions. A powerful antidote is to remind ourselves often that life is finite. Imagine knowing you only had a few days to live, suddenly, priorities become crystal clear. What matters and what doesn't becomes easier to see.

Knowing Isn't Always Doing

Few months back, while preparing a presentation titled Tools for Effective Personal Finance Management for my colleagues, I created an Excel tool to help them assess their financial health. With minimal time spent on bank and credit card statements, it generates a dashboard showing where the user stands on principles like the 50-30-20 rule, emergency funds, debt-to-income ratio, insurance coverage, and more.

During my research, I stumbled upon a profound truth about human behavior: knowing is not always doing. Most of us are aware of the importance of managing our personal finances. Yet very few dedicate the time to review cash flows or assess progress toward financial freedom. Many do not even keep their spouses informed about their savings, investments, or debts. Similarly, we all know the virtues of healthy living, yet few of us consistently practice them. Why? Because doing requires effort, focus, and willpower.

Mel Robbins, in her book *Let Them*, emphasizes that we cannot change another adult through persuasion or advice. Unless someone truly decides to change and is willing to put in the work, nothing will happen. We can only inspire.

I also came across a blog post that humorously pointed out a common trap: planning, scheduling, or even talking about doing something is not the same as actually doing it. The essence was clear—progress only happens when we take action, not when we prepare endlessly

Deciphering Perfection,

Decop Efficiency and Completeness

Perfection, Efficiency, and Completeness are different but closely related concepts. As humans, we aspire to master all these three traits. We attain perfection in something when we master a subject through deliberate practice. When we do something flawlessly, it means we have perfected it. Steve Jobs, the co-founder of Apple Inc., was a perfectionist whose attention to detail and relentless pursuit of perfection in product design has shaped Apple Inc.'s growth trajectory. He was involved in every aspect of the product, from hardware to software, ensuring they met his high standards of excellence. Perfectionists are often obsessed with perfecting their works irrespective of the time and effort it involves. It is said that Leonardo da Vinci, the creator of masterpieces such

as Mona Lisa had spent years perfecting his works, often leaving them unfinished in his quest for perfection. While perfection focuses on quality, efficiency focuses on quantity. It refers to the ability to yield maximum results with a minimum use of resources. Typically, a perfectionist may end up spending more time yielding the output, thereby ignoring the efficiency part. Elon Musk, CEO of Tesla and Jack Welch, Former CEO of General Electric (GE) are known for their exceptional efficiencies in managing multiple projects simultaneously. Musk's ability to streamline processes and set aggressive timelines has enabled him to revolutionize the Electric Vehicles industry and Space exploration. Welch was known for his ability to manage multiple projects/initiatives and keep a sharp focus on driving results across various areas of the company.

One of the perils of being perfect is it takes a lot of time for the perfectionist to make a decision. While the outcome that is coming out of them would be concrete and reliable, they may get deep-rooted into the exercise and may miss the other critical factor, Time. During my early career days, I had an opportunity to work with a senior finance professional. Unlike a typical accountant who strives for accuracy and perfection at work, he is different. Once he gave an assignment to me. To ensure the report was accurate and perfect, I ended up spending a lot of time collating the data, adding multiple cross-checks in the workings, etc., and built a mega file for him. By the time it reached him, it was too late and didn't serve the purpose. He called me and said, "Hey Venkat, in business decisions always choose speed over accuracy. It's okay to have data with 70% accuracy but ensure 100% speed". While one can choose to disagree with his viewpoints, the essence is to be mindful of the purpose of the exercise and moderate the way we accomplish it. In life, we cannot get answers to many questions before we start a venture. For instance, if we have to undertake an overnight journey from one state to another by car, we can only see a few yards ahead of us at any point during the journey. We still reach the journey by focusing on the immediately visible road ahead of us.

In his book "Same as Ever", Morgan Housel states that there is a huge advantage to being a little imperfect. He recalls that companies that had built their production processes around a Just-In-Time procurement strategy were adversely impacted when the global supply chain disruption erupted post-pandemic. In 2022 during one of the biggest consumer boom in history, car companies had to shut down factories as they were short of chips, brakes, and paints. Their process had no room for error and it completely backfired. A little inefficiency across the whole supply chain would have been a sweet spot. In the long run, room for error shall have some of the highest payoffs imaginable.

Adam Waytz in his Harvard Business Review article "Busyness culture" advocates the need for building slack into the system. He states the major causes of busyness are constraints on time and resources. When hospital systems face budgetary cuts, acute events like the COVID-19 pandemic overtax medical staff, increasing wait times and even contributing to unnecessary deaths of people who need urgent care. As stated by Seth Godin, Serial entrepreneur, "Systems with slack are more resilient".

Moreover, most of us suffer from "Idleness aversion". We feel we are becoming inefficient if we don't engage in active work either at home or at the office. Research states that we get creative ideas and solutions to our problems when we are in an idle state. When our calendars are blocked for most of the time with various meetings and discussions, we are in a stimulated mode most of the time.

Creativity and stimulation travel in opposite directions. The flow of creativity and critical thinking works best when we have free time to think. Albert Einstein once said "I take time to go for a long walk on the beach so that I can listen to what is going on inside my head. If my work isn't going well, I lie down in the middle of the work day and gaze at the ceiling while I listen and visualize what goes on in my imagination".

To summarize, if we deliberately practice Timefulness, focus on Execution Excellence and aspire to stay in a work in progress state, our competency and capabilities will flourish naturally at ease and sustain forever.

References

My article has inspirations from real life experiences. I supplemented it with few key notes from various books such as "Let Them Theory" by Mel Robbins, "Same as Ever" by Morgan Housel. Also, took inputs from an Harvard Business Review article titled " Busyness Culture" by Adam Waytz.

Real-time Variance Reports in AI era

Abstract

Real-time Variance Reports enhances utility of ERP systems & other work flow data by proper connects and presentation of information with visual insights to stakeholders timely.

Real time Variance Reports strengthens management decision making process in a collaborative way with advanced analysis by AI tools upon considering historical data, present data and predictive data trends.

Real time Variance Report can uncover patterns, unusual spikes and can trigger alert to mitigate fraud / error risks as they happen



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In this volatile & socially connected business era, instant and accurate data format with business insights information are essential across the operations team to plan with accurate data, to decide swiftly and to monitor actions till conclusion.

Real-time Variance Report is one of the most important analytic info to the functional & business leaders-

- to monitor trends in performance for the day / MTD / YTD
- to measure actual performance against forecasts or budgets or standard benchmarks or competitors or own historical data
- to aid further analysis to detect root causes of variance

AI Real-time Variance Report is made possible with emergence of following features :

- Data Interface from respective systems** to AI Analytic tool, enable swift & easy reach of requisite data and it is always synced with latest source information
- AI tool can extract requisite data** from voice / images / websites and can assimilate to requisite format quickly which were not possible in manual mode (eg., using OCR technology the AI tool can extract details of key terms & conditions of customer contract)
- AI tool detect variance** based on patterns / trends upon analysing various data sets which were not possible in manual efforts
- AI tool can report variance** in a customised template / dashboard to provide alert triggers and to ensure

clarity in communication to all stakeholders.

- v. **AI tools can handle any volume and has processing speed flexibility** to cope with needs having different time sense
- vi. **AI tool can boost team productivity** with collaborative access to real time data at single destination
- vii. **AI tool offers predictive data** trends based on variables sensitivity analysis and can offer recommendation in different scenarios and management evaluate pros and cons of various choice of decisions
- viii. **AI offers visual presentation** with requisite data & analysis insights as applicable to respective stakeholders viz., line managers, middle & top management, board and investors
- ix. **AI tools must be able to adjust to growing scale in data handling with security**

Real-time Variance Reports are structured for all core functions and key data measures such as

1. **Revenue** (Sales Order status data, Billing vs Revenue recognition data, Receivables data)
2. **Capex and Project Progress Status**
3. **Opex Cost data** (overall entity or group level cost, product/service wise cost, location / region-wise cost, function-wise /responsibility centre-wise cost, activity-wise cost)
4. **Cash flow data** (operational, financial, investing data)
5. **Function / Operation related- Quantitative & Qualitative** data & informatics
6. **Indicative Measures or Metrics / Norms / Ratios**

The Real Time Variance Report with insights on analysis against historical data, forecast, budgets, standards or benchmarked metrics will be presented by the AI tool.

Also Decision requirements may be at different hierarchy with different sensitivities ie it may be high level Strategic decision involving meetings or discussion across layers of organization or just a routine Operational or Financial Decisions to be made as per Standard Operating Practices.

Sales Variance

Example : Variance Alert Triggers to relevant process owners may be structured as, when the change in Sales data is more or less by 5% in

- a. Sale Quantity volume change in - Overall Product volume or Service volume or Per Sales man volume change or Per region sales volume change
- b. Average Sales Realisation Rate Per Unit change
- c. Mix Proportion change in Sales Product / Service / Region / Customer segment

Based on above trigger alerts, root causes may be focussed by AI Tool with reference to influencing factors such as

- d. Feedback data relating to --Product/ Service Quality, Order backlog & overdue position, impact of Sales Promotional schemes or marketing people changes/ Discount rate or basis change, Logistics & Distribution factors to respective product availability at end user level
- e. Tax & other Regulatory changes on customer behaviour
- f. Billing vs Revenue recognition status data
- g. Seasonal / Competitor price & promotion impact / substitute product usage trends / other Internal or External factors

Capex / Project Status Variance

Example : Variance Alert Triggers to relevant process owners may be structured as : When the change in Capex is exceeding the Budget at component level by +/- 2% ; Project Completion % is beyond the planned schedule;

Regulatory Compliance pending beyond planned dates

- a. Capex item value change - overall project level, overall item level, sub item level
- b. Project Completion % - overall project level, overall item level
- c. Project suspended / abandoned – costs blocked & liability therein
- d. Interest during construction period capitalised & pending capitalisation
- e. Regulatory compliance pending against respective line item level

Based on above trigger alerts, root causes may be focussed by AI tool with reference to influencing factors such as

- f. Change in Product / Service Specifications against the Purchase Orders with or without change in ultimate capacity level
- g. Foreign Exchange rate fluctuation impact on imported goods / services
- h. Tax rate basis changes
- i. Time overrun related cost changes

Opex Cost Variance

Example : Variance Alert Triggers to relevant process owners may be structured as : when the change in Material Cost variance against the Production is + / - 1% ; Material Yield Variance against Production is + / - 1% ; Packing Material Cost variance against Production is + / - 1% ; Fuel Cost per unit of production variance + / - 1% ; Unusual spike in other Opex

- a. Material Cost change – overall entity level, overall product segment level, respective product level
- b. Analysis of Material cost with reference to variance in Usage, Rate, Material Mix, Production Batch, Material input to output Yield
- c. Analysis of Scrap in BOM vs Actuals at respective shift or production order or overall factory level
- d. Fuel cost variance in usage, rate, material mix, production levels, shut down, maintenance
- e. Sub contract job work charges variance in usage, rate, material spec, scrap %
- f. Factory wage cost variance in relation to head count change, excess labour hours due to shut down / machine rejections, material shortage, % on total cost of production or sales value
- g. Other factory cost standard rate per hour vs actual factory cost trends
- h. Selling Cost variance at Expense category / product / location / customer segment level
- i. Admin Cost variance at Expense category / product / location / customer segment level
- j. Insurance cost variance
- k. Transport & Logistics cost variance
- l. Abnormal costs due to accidents / litigation claims settled etc
- m. Bad debts / advances write off
- n. Depreciation Cost variance at location / product / asset level
- o. Interest cost variance at location / product / overall entity level and impact due to time over run in capex
- p. GST Output tax & input tax credit unreconciled items in books vs GSTN portal
- q. Income tax TDS / TCS unreconciled items in books vs Income tax portal

Cash flow Variance

Example : Variance Alert Triggers to relevant process owners may be structured as : when there is existing mismatch in inflows vs outflows ; mismatch in forecast vs actuals ;

- a. Inflows under various components – operations, financing, investment, borrowing, capital sources. Sale of

- fixed assets
- b. Outflows under components – operations, financing, investment, borrowing, capital uses
 - c. Inflows & Outflows under Un-budgeted items
 - d. Customer collection trends vs sales
 - e. Supplier payments vs Capex & Opex
 - f. Cash conversion cycle days

Operations Data Variance

Example : Machine Utilization & Idle time trends, Number of days operated in single & multiple shifts, Installed capacity per shift vs actual production per shift, Labour hours clocked, Labour Training hours, production units done through sub contractors, Exceptional costs, abnormal production losses

The above data may be compared against Standards / Historical data / Industry data to get insight on trends and its implications

Ratio / Metrics trends

Example : Product-wise Gross margin trends, Revenue per Employee, Days Sales Outstanding, Days Inventory Outstanding, Days Payable Outstanding, Debt Equity Ratio, Debt Service Coverage Ratio, Interest coverage ratio, weighted average cost of debt & equity, Employee attrition rate, Net Profit ratio, Average Tax Rate

The above data may be compared against Standards / Historical data / Industry data to get insight on trends and its implications

Predictive Data presentation by AI

AI tool also offers Predictive Data based on future market & technology trends, potential change in competition & customer needs, Emerging Growth opportunities & Risks.

Advanced analysis by AI tools analyses financial data using advanced algorithms to uncover patterns that may not be easily decipherable.

Techniques such as Z-score analysis, Bentford analysis can quickly highlight deviations to focus on exceptions timely.

Efficient Forecasting prevent wastes, sufficient preparedness to mitigate risks

Fraud Detection / Anomaly Management

Real time Variance analysis by AI enable detection of abnormalities & fraud risks as they happen and trigger alert to the senior management responsible for governance and auditors for requisite action.

Real time Variance reports by AI can spot irregularities as they happen and trigger corrective action steps to mitigate existing and new threats

Conclusion :

AI tools has transformative impact on operations with its systemic approach to data integration and analytic process to report results real time. Timely data visualization save time, effort, cost besides contributing efficiency which were not available in erstwhile manual process.

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The role of Management Accountants in spearheading KYC initiatives in an Organization

Abstract

An Organization is born as a result of the Visions and Goals of the Founder(s). And every Organization that is set-up aspires to grow and that Growth could either be Organic or Inorganic in nature. Whichever route the company takes, it follows a Growth Strategy.

Some of the Strategic directives might include steering the company towards a particular goal, developing new Product lines or improving the existing Product portfolio to retain loyal customers, entering new markets etc.

While these strategies are essential for a company to survive in a competitive landscape; at what cost are these measures being carried out? Do Managements try out any approach that helps to understand their Costs? This Article, shall thus, focus on the cost aspect of the various activities performed in an Organization and its impact on the Bottom-Line using the principle of Total Cost Management (TCM). It shall also touch upon a method of Costing that can be adopted by Organizations that can be used for making better decisions.



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INTRODUCTION

Total Cost Management (TCM) is a systematic, integrated, a-company-whole approach aimed at Controlling, Reducing and Eliminating Cost across the entire Value-Chain. TCM is a continuous improvement exercise of monitoring, analyzing and controlling costs.

Some of the benefits of TCM include Cost Reduction leading to improved Profitability, increasing Operational Efficiency through optimization of Processes and Resource allocation, enhanced competitiveness on account of lower costs etc.

Examples of TCM include 'Project Cost Management' wherein projects are monitored to ensure they stay within the allocated budgets, 'Supply Chain Management' in which TCM helps to identify areas for improvement in Sourcing functions such as Procurement, Logistics, Inventory Management.

While having TCM initiatives in an Organization can lead to various benefits as outlined above, Organizations must first undertake a KYC initiative. The next sections of this Article shall thus focus on the 'Role of Management Accountants in spearheading KYC initiatives in an Organization.'

ACTIVITY BASED COSTING – KYC

KYC in banking terms mean ‘Know Your Customer’. In the world of Manufacturing and also Service Sectors such as Banking and Insurance, Managements can practice KYC - “*Know Your Costs*’.

Understanding the Cost Structure is the the first key step in a Costing exercise. When we use the term ‘Cost Structure’, we typically refer to three distinct Costs - Material Cost, other Direct Cost and Overheads.

While Material Cost can simply be understood as quantity procured multiplied by the weighted moving average rate when calculated at the end of a period; Direct Costs are something which is directly identifiable or assignable to a Product. Now, apart from these two, it is the third type of cost i.e Overheads that require the special attention of all, especially the Cost & Management Accountants.

In the next sections of this article, let us delve into the concept of Activity based Costing, the varied analytical perspectives that it has to offer from the standpoint of the different users of Cost Information.

ACTIVITY BASED COSTING – THE CONCEPT

Resources are consumed by Activities and Activities are in turn consumed by Cost Objects.

This statement is the conceptual framework of Activity based Costing (ABC / AB system of Costing). Here we come across three distinct connectors - Resources, Activities and Cost Objects.

Resources are basically the objects necessary for carrying out activities. Examples include Man, Machines etc. Activities can broadly be classified into Production Activities, Production Support Activities and other Support Activities. Production Activities generally include the activities performed on the Shop Floor. Production Support Activities include activities which are ancillary to the Production; for example, Stores Department, Maintenance Department, Quality Department etc. Other Service Support Activities include activities performed in Departments such as HR, IT, Admin, Finance, Costing etc.

Cost Objects can be defined as each unique Product that is produced in a unique route. For example, let us say a Company has a 90 Ton Press Machine and a 70 Ton Press Machine and the same Product can be produced in any of these Machines subject to its availability. In this case we can define these 2 machines as two distinct routes which would then enable a reader of the Cost Information to analyse the cost of producing the same part using different machines a.k.a routes. Another example of a route could be the method/logistics employed to ship the Finished Part (FG) to the Customers with each unique shipping method as a route.

Now for an AB system of Costing to function effectively, primarily, 2 sets of information is required – the Financials (Cost incurred data) which serves as the Numerator and the other Operational data such as ‘*Bill of Materials (BoM), Routing, Production and Sales volume*’ etc forming part of the Denominator data.

As regards the numerator data, Cost Centre Accounting is one of the basic pre-requisite for an AB system of Costing. Cost Centres are basically used to capture, track and trace the cost incurred in performing the various activities.

While the numerator is taken care of with the help of the Cost Centres, the striking feature of an Activity based Cost allocation model lies in the selection and usage of appropriate Cost Drivers.

In the next section of this article, let us try to understand this concept further with an example.

COST MODEL - THE BED-ROCK OF AN ABC SYSTEM

The role of a Management Accountant lies here - building the optimal ‘*COST MODEL*’. An optimal Cost Model serves as the foundation stone for a good and effective Costing system to function independently.

A Management Accountant must understand the order in which 'Activities' are performed to produce a Finished Part (FG). By Activities, we do not merely restrict ourselves to the Production Activities on the Shop Floor. It starts right from the time Materials are ordered by the Sourcing Department to the actual receipt of such Materials at the Stores to Issue of those Goods to Production and ends with the shipment of FGs to the Customer(s).

Mapping this entire workflow, ascertaining the various Activities that take place within each of these functions is the key to building a rock-solid optimal Cost Model structure.

To explain this concept further, let us take the example of a Service Department (HR), a Production Support Department (Production planning and Control Department) and a Production Department.

While the cost incurred in these Cost Centres or Departments i.e the Salary/Wages paid, the Depreciation on the Machineries/computers used, Electricity charges etc can be discerned from the Cost Centre wise Trial Balance, an Activity based Costing environment would require us to ascertain the list of activities performed in this Department and the Resources consumed along the way.

The HR Department encompassing the entire functioning of a company's Human Resources typically performs activities such as ascertaining the Staff/Labour requirements in other Departments, performing Employee Performance Evaluation checks at regular intervals, processing Payroll for its employees at the end of every month etc.

A typical Production planning Department is primarily tasked with the function of planning the production volume of the various products produced by that organization. The PPC Department functions as a middle ground collecting the demand forecast done by the Sales & Marketing office, ascertaining the availability of the materials at the Stores, informing the Sourcing team to start procurement of Raw Materials with the vendors, determining the status of the machines on the Shop Floor with respect to its performance, identify the preventive maintenance schedule maintained by the Maintenance crew and much more.

The Production Department, in our example, let us assume, has 4 Work Centres. Each Work Centre has 2-3 machines attached to it performing various Production Activities such as Coiling, Winding, Cutting, Shaping etc. While further sub-activities under each of these can be taken up, for our discussion purpose, let us restrict it to these activities.

As Cost and Management Accountants, we would have read about '*Step Distribution Method or non-Reciprocal Method*' of Overhead distribution. Using such an approach in our ABC example might lead us to this scenario: the first stage allocation would be to allocate the cost incurred in each Department viz. HR, PPC and the Production Department to its activities through drivers such as time spent on each activity, the number of resources (No. of Employees) deployed to perform an activity etc. The second stage allocation is where things start getting interesting. Now, in the non-reciprocal method of allocation, it is assumed that one Service Department renders service to another service Department but there is no reciprocity amongst these Service Departments. Thus, in our example, HR Department renders service to PPC and the Production Department; PPC renders service only to the Production Department and the recipient of service of the Production Department is the Products alone.

Using this method now, the next step now lies in the selection of appropriate drivers to drive the cost of these Departments to its Activities, from Activities to Activities and from then on to the Cost Objects. And this is where Management Accountants must make use of their discretion to build an optimal cost model which serves as the base for a good and effective costing system. While the Cost incurred in the Production Department can be driven through Driver such as Man/Machine Cycle time, Setup time (if any and significant in nature), the cost incurred in PPC first needs to be allocated to the various activities that take place in that Department. In our example, we could use Drivers such as number of Work Orders issued, time spent in interacting with various other support functions etc.

WHAT ARE THE INSIGHTS GLEANED FROM AN ABC SYSTEM?

Having understood the impact of an optimal cost model, let us now get to know some of the key insights an ABC system can give the users of cost information.

By having an optimal cost model in hand, users of the cost information can get key insights such as ‘What exactly does it cost for me to produce and sell a product? Which route to be employed to produce a particular product? Given my capacity constraints, which Customer do I prioritize? Whether Sub-Contracting certain operations is worth the cost that I am incurring? Is my Distribution Channel working efficiently such that I am incurring the lowest cost on every dispatch? Now that I know the cost of every operation on the Shop Floor, where am I incurring more cost and is there any improvement activity that can be done to lower the cost?’

The insights stated above are only in the nature of examples and there could be much more insights one can have given the manner in which the Cost Model is setup.

CONCLUSION

To conclude, Organizations that aspire to sustain and grow in today’s highly volatile environment, must wake up to the fact that using non-causal allocation logic to allocate costs to Cost Objects doesn’t make for meaningful analysis. Top Managements of today are fast on their feet and hence it becomes the responsibility of the Mid-Management team to escalate accurate and scientific Cost related information for meaningful decision-making. Thus, the insights one gets from using a scientific approach to Costing shapes the Management decisions and its impact on the Company. The Management Accountant has the best ringside view of their Company’s performance and hence it should be their endeavor to seize the opportunities to present meaningful analysis of their Company’s performance from a Management perspective. And the best tool available at the disposal of a Management Accountant is ‘*Activity based Costing*’ – the key to ‘*Know Your Costs (KYC)*’.

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RISE India and the New Financial Reporting Recipe

Abstract

India's RISE vision requires a fundamental transformation in financial reporting. The transition from IndAS to BRSR and ESG reflects the need to reposition credibility, intensify stakeholder trust, strengthen governance, and enhance sustainable value creation.

Written from a Cost and Management Accountant's professional perspective, this article explains how CMAs play a critical role in designing, integrating, and validating financial and non-financial reporting frameworks for responsible and long-term growth.



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1. Introduction: Financial Reporting in the RISE India Context

Financial reporting today goes far beyond statutory compliance.

Stakeholders no longer focus only on profits.

They also ask:

- How sustainable is the business?
- How responsibly are resources used?
- How transparent are governance practices?
- Can the reported numbers be trusted in the long run?

The theme RISE India – Reposition, Intensify, Strengthen, Enhance reflects India's aspiration to build credibility, trust, and resilience.

As Cost and Management Accountants, our responsibility is not limited to reporting numbers.

We analyse costs, processes, risks, and performance drivers.

This professional strength places CMAs at the centre of the evolving financial reporting framework.

2. RISE India and the Transformation of Financial Reporting

Financial reporting forms the foundation of RISE India.

- Reposition India as a globally credible and transparent economy
- Intensify confidence among investors and stakeholders
- Strengthen governance, internal controls, and accountability
- Enhance sustainable and long-term value creation

The introduction of IndAS aligned Indian reporting with global standards.

The emergence of BRSR and ESG further expanded reporting to responsibility and sustainability.

This transformation demands professional judgment, integration, and reliability — areas where CMAs add significant value.

3. IndAS: Repositioning India's Reporting Credibility

IndAS represents a shift from rule-based accounting to principle-based reporting.

From a CMA's perspective, IndAS:

- Requires professional judgment rather than mechanical compliance
- Impacts cost structures, margins, and valuation
- Links accounting outcomes directly with business decisions

The CMA's role includes:

- Analysing the business impact of IndAS adjustments
- Explaining financial volatility to management
- Ensuring alignment between operational data and reported figures

IndAS truly repositions India's reporting credibility only when supported by strong cost analysis and business understanding.

4. BRSR: Intensifying Trust Through Responsible Disclosure

BRSR expands reporting beyond financial performance to responsible conduct.

It covers disclosures related to:

- Environmental practices
- Social impact
- Employee welfare
- Governance and ethics
- Supply chain responsibility

For CMAs, BRSR is not about narration alone.

It is about measurement, consistency, and control.

CMAs contribute by:

- Designing reliable data-collection systems
- Establishing internal controls over non-financial information
- Linking operational indicators with reported disclosures

Trust intensifies when responsibility is measured objectively and reported consistently.

5. ESG: Strengthening Long-Term Value Creation

ESG reporting is often viewed as an additional compliance burden.

From a CMA's professional lens, ESG is a value-management framework.

Effective ESG integration helps organisations:

- Identify long-term risks and cost drivers
- Improve capital allocation decisions
- Enhance operational efficiency
- Build resilience and sustainability

CMAs strengthen ESG implementation by:

- Quantifying ESG risks and opportunities
- Integrating sustainability metrics into costing and budgeting
- Evaluating ESG initiatives through cost–benefit analysis

This strengthens the connection between sustainability objectives and financial performance.

6. The CMA-Led Recipe of Financial Reporting

The true recipe of modern financial reporting lies in integration.

CMAs are uniquely positioned because we:

- Understand cost behaviour and value drivers
- Analyse processes, not just results
- Connect shop-floor data with financial outcomes
- Translate data into management insight

In the IndAS–BRSR–ESG framework, CMAs act as:

- Integrators of financial and non-financial data
- Custodians of reporting integrity
- Advisors supporting informed decision-making

This is a strategic professional role, not a support function.

7. Practical Challenges: A CMA's Ground Reality

Despite regulatory frameworks, organisations face several practical challenges:

- Inconsistent ESG data
- Weak documentation and internal controls
- Limited ownership at the management level
- A compliance-driven approach rather than a value-driven mindset

These challenges cannot be addressed through formats or disclosures alone. They require strong systems, professional judgment, and continuous monitoring—areas where Cost and Management Accountants add significant value.

8. Conclusion: CMAs as Enablers of RISE India

In the RISE India journey, financial reporting is no longer a compliance function. It has evolved into a strategic enabler of transparency, credibility, and long-term value creation.

Through IndAS, BRSR, and ESG reporting, Cost and Management Accountants play a critical role in repositioning India's reporting credibility, intensifying stakeholder trust, strengthening governance, and enhancing sustainable business performance.

With their deep understanding of cost, performance, and governance, CMAs are well positioned to lead India's financial reporting transformation responsibly and effectively.

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Repositioning India and CMAs - Integrating Sustainability with Strategy

Abstract

Globally, the emphasis in the corporate landscape has enlarged from “Shareholder / Investor” to “stakeholders”, giving rise to the concept of “ESG” which when integrated with Strategy can lead to competitiveness and enhanced financial performance in the long run. India is no exception, as sustainability is no longer regarded as a mere Corporate Social Responsibility (CSR) obligation. In this transition, the CMA is silently emerging as the central focal point for translating environmental and social values into the language of business: numbers, costs, and value.

This article explores the multi-disciplinary role of CMAs in integrating Sustainability with Strategy, examining how they can effectively bridge the gap between "intent" and "impact" at the micro as well as macro level.



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Introduction

India is one of the 193 countries which has committed to the UN Sustainable Development Goals (SDGs). The connect between SDGs and ESG is that while SDGs are a macro-level commitment at the country level, ESG can be regarded as the micro-level toolkit for the enterprises to get closer to the SDGs. Since there is a huge funding gap estimated to be at an unimaginable level requiring multi trillion dollars, the onus is also on the private enterprises to achieve efficiency in their operations. In this process, the CMA is expected to play a more than significant role. While some CMAs have transitioned their role from that of a “Cost Auditor” to that of a “Sustainability Consultant”, majority of the CMAs need to re-orient themselves to understand and appreciate the stakeholder perspective to achieve excellence in the emerging scenario and encash the professional opportunities arising therefrom.

Connection between Strategy and Sustainability

1. Sustainability – A Strategic Imperative

Sustainability is a strategic imperative mainly because of the following reasons: -

- a. Stakeholder requirement: There is a notable shift towards insisting on entities having concrete, specific and non – negotiable strategic demands of Sustainability by the main stakeholders namely Investors, Consumers, Society, Regulator and Government. As a result, focus of the entities have shifted towards

- ensuring long term viability alongside financial parameters such as Return on Investments (ROI).
- b. Long term competitiveness: Investors in the capital market attach a great deal of importance to Environment, Social and Governance (ESG) and evaluate their investment decisions in any entity in terms of their long term competitiveness in addition to financial Performance. According to a recent EY-Parthenon survey, 90% of global institutional investors revise investments if entities do not at least consider ESG criteria within their business model.
 - c. Increasing consumer demand for sustainable products: The consumer demand for sustainable products and services is continuously increasing. They are willing to spend more to obtain sustainable products and services after re-thinking their buying decisions. These trends have changed the dynamics of the market which is distinctly in favour of sustainable products and services.
 - d. Regulatory Pressure: At the macro level, it is seen that regulatory pressure to initiate sustainability measures has cross border impacts, apart from emerging regulatory provisions in the local jurisdictions. For instance, a company in India which has significant business operations in EU or US will also have to comply with the EU or US regulations as the case may be.

Given below is a snapshot of the regulatory framework in India, EU and US concerning Sustainability for entities satisfying and / or breaching prescribed thresholds: -

Regulation	Region	Core Requirement
BRSR (Business Responsibility and Sustainable Report)	India	Top 1000 listed entities by market capitalisation mandated to provide detailed disclosures. Assessment or Assurance mandatory for BRSR Core for Top 500 for FY 2025 – 26
CSRD (Corp. Sustainability Reporting Directive)	EU	Mandatory “Double Materiality” reporting—how the environment affects the business (financial materiality) <i>and</i> how the business affects the environment (impact materiality).
CSDDD (Sustainability Due Diligence Directive)	EU	Companies must identify and mitigate human rights and environmental harms (adverse impacts) across their entire supply chain.
SEC Climate Disclosure Rules	USA	Mandatory reporting of climate-related risks and Scope 1 and 2 GHG emissions

2. Implementation Approaches

From a management perspective, the implementation of Sustainability should ideally a combination of Top-Down and Bottom-Up approaches.

From a CMA perspective, the most effective way of implementation is to embed ESG into the financial architecture. By using principles of Activity Based Costing (ABC), it is possible to assign carbon and water costs to specific activities to get a “Sustainability View” of products or services.

By using Environmental Management Accounting (EMA), it is possible to track apparently hidden environmental costs of waste, energy and emissions, that are included in the overheads.

3. How Sustainability becomes Strategy

Ultimately, when properly implemented, Sustainability becomes an inherent component of Corporate Strategy. The following is the suggested road map: -

Phase No.	Phase Description	Actions	CMA Deliverables
1	Assessment	Materiality Analysis, Baseline emissions audit	Gap Analysis Report
2	Strategic Decision	Setting KPIs and selecting a framework (GRI/ISSB/ISS)	Sustainability Scorecard
3	Integration	Linking ESG targets to department performance and then on to executive compensation	Budgetary Control
4	Operationalise	Launching Green Projects & Materials Flow Cost Accounting (MFCA) implementation	Resource Savings Report
5	Assurance	Third Party Verification of data accuracy	Assurance Report

4. Consequences of failure to initiate Sustainability measures

The risks of failing to initiate sustainability measures are no longer just “reputational”—they are already existing though not apparent to many, for example:

- *Direct Fines*: Under the EU’s CSDDD, fines can reach up to 5% of net worldwide turnover.
- *Cost of Capital*: Banks and investors are increasingly using ESG Risk Scores to determine interest rates. Companies with poor sustainability performance are facing significantly higher borrowing costs.
- *Supply Chain Exclusion*: Major corporations (the “Scope 3” reporters) are actively dropping suppliers who cannot provide carbon data or proof of fair labour practices to avoid their own regulatory penalties.

CMA and Sustainability

1. Resource Optimisation and Resource Accounting

Utilisation of scarce resources in an optimum manner is the core function in any Sustainability initiative, which is the core competency of a CMA. This foundational CMA skillset when applied through Green Cost Accounting and Life Cycle Costing quantifies the sustainability initiative.

2. Materiality Assessment

The CMA bridges the gap between environmental impact and financial resilience. While sustainability officers focus on how a company affects the world (Impact Materiality), the CMA plays a major role in quantifying how ESG risks, such as carbon taxes or supply chain disruptions, directly threaten enterprise value (Financial Materiality)

The CMA’s role in this assessment includes:

- **Financial Quantification**: Translating qualitative ESG risks into “Value at Risk” metrics, to ensure that the Board understands the P&L implications of inaction.
- **Data Quality**: Applying discipline to non-financial data similar to accounting data, to ensure that the Materiality Matrix is built on verifiable evidence rather than subjective perception.
- **Strategic Prioritization**: Using cost-benefit analysis to rank material issues, ensuring capital is allocated to areas that offer the highest ROI in terms of risk mitigation.
- **Audit Readiness**: Preparing documentation that meets “reasonable assurance” standards, essential for regulatory filings like CSRD or BRSR.

By integrating these insights, the CMA ensures that materiality assessment is a strategic tool for value creation, not just a compliance checkbox.

3. Designing Internal Controls for Non-Financial Data

The CMA plays a significant role in developing the necessary Internal Controls for Non – Financial Data as under: -

- a. Data Integrity: CMAs ensure that carbon emission data from the factory floor either matches or can be reasonably correlated to the financial data in the ERP system.
- b. Materiality Assessment: CMAs help boards decide which ESG factors are “material” (financially significant) to their specific industry / sector, for ensuring that the company does not waste resources on irrelevant reporting.

4. BRSR Core

The BRSR Core focuses on 9 key attributes. CMAs have a natural advantage in the following quantifiable areas

Attribute	CMA Opportunity and Advantage
Resource Usage	Auditing energy and water intensity per unit of production.
Waste Management	Implementing and assuring Material Flow Cost Accounting (MFCA) to track waste-to-wealth metrics.
GHG Emissions	Verifying carbon footprint calculations using the ICAI’s Holistic Environmental Costing (HEC) framework.
Fair Wages	Internal audit of payroll systems to ensure compliance with “Living Wage” and “Gender Pay Gap” disclosures.

5. Internal ESG / BRSR Assurance

Come FY 2026 – 27, the BRSR Core Assessment or Assurance is mandatorily applicable to listed entities figuring in the top 501 to 1000 by market capitalization. There is an opportunity to the CMA here for providing professional services in the form of readiness audit for these entities. By identifying the gaps in data collection and in the reporting process followed by these entities, CMA can contribute to making them “audit / assurance” ready.

6. External Assessment or Assurance

For CMAs in practice, the opportunity lies in providing the Assessment or Assurance report required by SEBI’s glide path:

- FY 2025-26: Mandatory for Top 500 listed entities.
- FY 2026-27: Mandatory for Top 1,000 listed entities.

7. Value Chain Reporting

SEBI has mandated Value Chain reporting from FY 2026 – 27 on a voluntary basis for the Top 250 listed entities (by market capitalisation) as also assessment or assurance of the same. Going forward, there is every possibility that the Value Chain reporting will be made mandatory on the basis of a glide path. In this scenario, CMAs who are actively working with MSME clients, now need to extend their expertise in Sustainability to these entities in the MSME covered by the SEBI mandate.

8. ESG KPIs

The ESG Key Performance Indicators (KPIs) when applied to CAPEX planning in addition to, of course, the financial numbers, gives a much more reasoned inputs for board level decisions. For example, when a company

is looking at the alternative of apparently expensive biomass powered boiler as against the conventional coal-fired boiler, the CMA approach does not look merely at upfront costs. A detailed sensitive analysis is conducted considering inter-alia the following estimates over a long-term horizon of say ten years: -

- Potential savings through Green Credits
- Carbon taxes [(example: Cross Border Adjustment Mechanism)(CBAM)]
- Reduced Interest rates for ESG Linked Loans

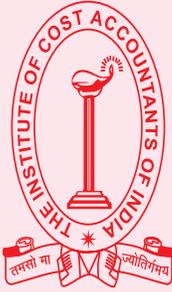
Challenges and Way Forward

Interestingly, following the USA pulling the plug on the Paris agreement and in the wake of global business pressures, in middle and late 2025, some regulators are introducing measures to reduce the administrative and compliance burden on smaller companies. For example, the EU recently revised thresholds, prescribing mandatory reporting on larger firms (1,000+ employees) while providing voluntary frameworks for SMEs. India for instance has deferred the mandatory application of Value Chain Reporting for top 250 and provided the choice to top 1000 to opt for less rigorous assessment as against the perceived costlier option of assurance for BRSR Core. However, this has actually increased the burden of data accuracy particularly for the larger entities as well as those entities that have cross border business, as they now have to rely on a more robust third-party verification. From a CMA perspective, there are significant implementation challenges, primarily data fragmentation and the conflict between short-term margins and long-term ESG investments. The challenges can be overcome by use of specialised management accounting framework such as

- Material Flow Cost Accounting (MFCA) which treats material waste as a financial loss as against regarding them as an environmental issue
- Life Cycle Costing (LCC) which accounts for environmental and social costs from “Cradle to Grave”
- Internal Carbon Pricing (ICP) which involves fixing a shadow price on Carbon to help management to understand the risk of carbon taxes and the need to invest in low-carbon technologies
- Sustainable Balanced Scorecards (SBSC) into which ESG metrics can be integrated so that Sustainability reporting forms part of the organization’s MIS.

The Indian enterprises should demonstrate that they have not just sought to “go green” in compliance but also in sum and substance to justify that they are able to contribute to the “Rise India” initiative. The CMA needs “to rise” by taking steps to integrate ESG into the DNA of strategic financial management in such a manner that they can effectively bridge the gap between “intent” and “impact” at the micro as well as macro level. Ultimately the common shared objective is to build a more resilient, profitable, and inclusive future for India.

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