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## **Management Accounting Awards**

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### **Executive Summary**

The Management Accounting Committee of The Institute of Cost Accountants of India proposes to award the Corporate Entities in India having excellence in Management Accounting Principles and Practices (MAPP). The award ceremony would be held every year on 6<sup>th</sup> May at the National Seminar of International Management Accounting Day. This whitepaper contains the overview and concept of the proposed CMA awards, parameters for evaluation schemes and a draft budget in this regard for FY2025-26.

The initiative is to evaluate entities on its maturity level in adoption of Management Accounting Principles and Practices and give them awards for their awareness, implementation and the resilience to pursue global leadership. It is expected that this initiative will encourage corporate entities to value Cost & Management Accounting practices, adopt and align themselves for the best MAPP and create awareness amongst the society, instilling a progressive economy.

Presently, the award is in form of customized trophies and certificates to be issued to 1<sup>st</sup> and 2<sup>nd</sup> prize winners in each of the 5 categories. In the process, applications would be invited within a timeframe, through public information. Thereafter, these applications that are received with the necessary data inputs would undergo evaluation by a group of eminent jury. This appointed jury would shortlist the entities, category wise, for further process.

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### **Preface**

Business landscape has been and is subjected to a need for regular *discontinuous innovation, protecting, promoting* business environment and with recourse to admeasuring *sustainability mechanism*. With VUCA scenarios read with Geopolitical influence, *insights* require to be analogous to combat adverse impact.

With monumental investment climate envisaged by economic planners, the mobilized resources necessitating to be orchestrated in desired direction. The subject of *Resource Management*, dwelling to *measure, monitor* and *manage meaningfully enterprise governance*, need transformation into instilling a robust Management Accounting System and Practices.

Management Accounting (MA), needless to emphasize, dwells on releasing *economic information* for decision making, predominantly relating every *outlay* to an *outcome*. MA, hence, to remain effective, proliferates institutionalised policy-based approach.

Organisational strategy requires continuous updation as a Rolling one in alignment with emerging economic scenario.

It is pertinent to highlight Central Government Report of 2022 and 2023 which is a silent amplifier of situation, on a *project/ resource management* then and now. It is imperative, the subject of MA needs global adoption graduating from a premised *Cost and Works Accounting*

**“A progressive economy through adoption of universal MA Principle and Practices, shall prevail upon as global leadership to orchestrate the economy in competitive direction and attempt achieve superior ranking with due regard to *People and Planet*”.**

### **Objectives**

#### **Management Accounting Award – Appraisal**

- A. *Evaluate* entity on its maturity level in adoption of Management Accounting Principles and Practices (*MAPP*)
- B. In the process, offer scope to:
  1. Create *awareness* amongst the society to instill **MAPP**
  2. *Enlighten MAPP* in alignment to respective Business Model
  3. Partner the entrepreneur, as co-pilot, in its *Value Generating Decisions*
  4. Remain *resilient* to VUCA influenced disruptions
  5. Position CMA institution, as a graduated entity from Cost Accounting Practices, on to *Promulgate & Promote MAPP*
  6. Widely and extensively *use Cost Accounting Standards/Principles*, developed as first mover amongst Global Players, being platform to facilitate adoption of **MAPP**.

# The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

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## General Information and Guidelines for filling up the questionnaire by entities

### 1. General Information:

- 1.1. The criteria and related parameters, emphasizes on assessment of **Management Accounting Principles and Practice (MAPP)** in vogue.
- 1.2. All information and data submitted by the participant(s) shall be kept strictly confidential and shall only be used for the purpose of evaluation of the award and not for any other purpose.
- 1.3. Evaluation process shall be administered by an independent *third party* adviser and finally decided by a Jury
- 1.4. Decision of the Jury, on the Awards, shall be final and binding. No correspondence, whatsoever, shall be entertained in this regard.
- 1.5. Those eligible to participate may or may not be covered under the requirement to maintain Cost Accounting Records nor conduct of Cost Audit.
- 1.6. Award Categories shall extend to Indian entities:
  1. Listed and Unlisted
  2. LLPs
  3. NGO
  4. Co-operative Board
  5. MSMEs

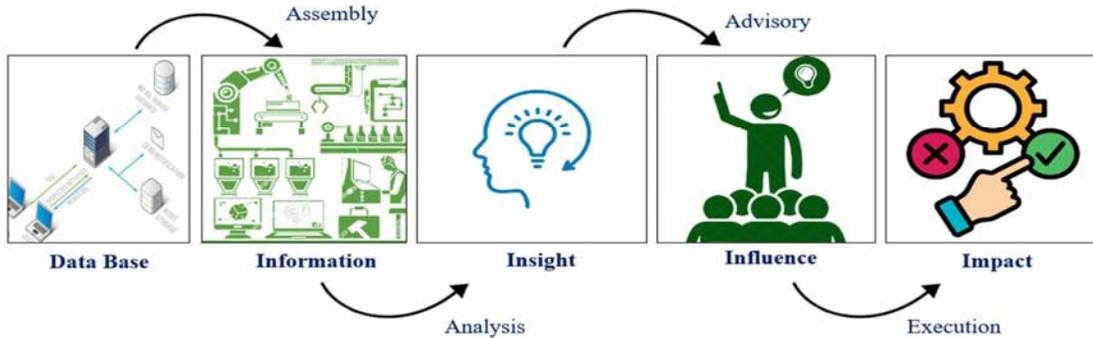
### 2. Guidelines

- 2.1. The said questionnaire shall be available on the website of the Institute of Cost Accountants of Institute (ICMAI).
- 2.2. Those desirous of participating in the said award initiatives, shall complete the questionnaire and forward to the ICMAI within 30 days for further evaluation.
- 2.3. Relevant evidence shall be provided, either as soft copy or as hyperlink connected to internal documents/written process of the company.
- 2.4. The evaluation process shall include an oral interaction as well, of around 30 minutes, to bridge the understanding between the Institute and the enrolling entities and take the approach to a logical conclusion.
- 2.5. The evaluation shall be on the strength of the financial/ related reports for the year 2023-24 and 2022-23.
- 2.6 Any strategic information, not positioned to be adduced as evidence, may be exchanged during the course of oral interaction.



**B. Management Accounting Principles:**

**Changing Role of Management Accountants**



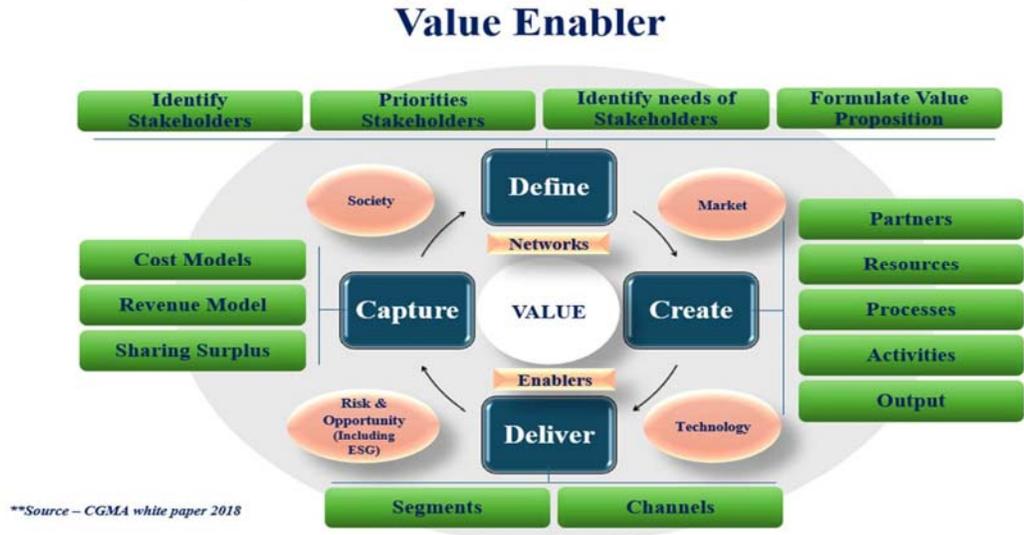
*Information – Insight – Influence – Impact*

**1. Business Review – Approach:**

**45**

<p>i. Communication – Strategy, Business Model, Operation, <i>Value Creation</i></p>	<p><i>Whether communication extends to discussion/ review on Strategic Objectives?</i></p>	<p>Describe Scope</p>	<p><b>13</b></p>
<p><i>Module One – Enterprise Strategy: Navigating Business Success Performance</i></p>			
<p>ii. Analytical content – MIS structure</p>	<p><i>Whether MIS covers both Financial and Non-Financial Information?</i></p>	<p>Describe MIS – KPI's</p>	<p><b>7</b></p>
<p><i>Module Two – Strategic Performance Management: Driving Organizational Performance</i></p>			
<p>iii. Governance: a. Periodicity on Business Review Meeting b. Governance Committee</p>	<p><i>Whether organization includes identified function on MA?</i></p>	<p>Detail - Frequency (Monthly, quarterly etc.)</p>	<p><b>5</b></p>
<p><i>Module One – Enterprise Strategy: Navigating Business Success Performance</i></p>		<p>Draw an Organogram</p>	<p><b>5</b></p>
<p>iv. Strategic Milestone – a. Target and Realisation b. Risk Assessment</p>	<p><i>Whether Strategic Milestone reflects:</i></p> <ol style="list-style-type: none"> <li>1. Targets and Realisation on <i>Infrastructure Development/Capabilities</i></li> <li>2. Product Penetration</li> <li>3. Product Development</li> <li>4. Market Development</li> <li>5. M &amp; A</li> <li>6. Competitor Analysis</li> <li>7. Benchmarking</li> <li>8. Product Portfolio Analysis</li> <li>9. ESG Implementation on Cost of Capital and Financial Outcome</li> <li>10. Technology Upgrade</li> </ol>	<p>Writeup on Target/Realisation ATR Matrix</p> <p>Extent of reliance/thrust on Management Accounting Techniques and Cost Accounting Principles</p>	<p><b>15</b></p>
<p><i>Module Two – Strategic Performance Management: Driving Organizational Performance</i></p>			

**2. Business Models in vogue - an Idea sourced from Global Practices - for Deliberation: 30**



**Module One – Unit 4: Business Model and Value Creation**

- i. Stakeholder – definition –  
**Value Partner Relationship, Define Value**

**Module One – Enterprise Strategy: Navigating Business Success Performance**

- ii. Primary/Secondary Value Chain – **Create Value**      *Describe Primary and Secondary Value Chain*

**Module One – Unit 1: Role of Enterprise Strategy**

- iii. Deliverability –  
**Deliver/Capture Values:**

**Module Four – Governance, Risk & Sustainability in Management Accounting**

- a. Outlay and Outcome – Invested Capital:
  - 1. Financial Capital      *Stakeholder Capital/EBITDA/ROI*
  - 2. Manufactured Capital      *Number of Business Location /Products/SKUs*
  - 3. Human Capital      *Number of People/Attritions – Age*
  - 4. Social Capital      *CSR Spent/Community Development*
  - 5. Natural Capital      *Environment Expenditure/ Energy – Water Saving*
  - 6. Relationship Capital      *Channels and Distributors*

Customer, Supplier, Community, Regulatory ESG philosophy etc.	<b>10</b>
Input, Process, Output, Logistics, Customer, After Sale Services	<b>6</b>
Detailed Description on Outlay and Outcome	<b>3</b>

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b. Customer Centric – Review/Report:

*Module Two – Strategic Performance Management: Driving Organizational Performance*

1. Complaints Resolution			
2. Satisfaction Index			
3. Behaviour – Need and Demand			
c. Supply Chain and Logistics	<i>Issues, Bottleneck and Impact</i>		
d. Action plan on alternate Supplies and Energy	<i>ESG Complement – Alternate Input/ Energy, Health and Safety</i>		
e. Business Process Engineering – Value chains/SOPs	<i>Geographical spread – Value Chain</i>		
f. Training and Development	<i>Process upgradation – Skill Improvement</i>		
g. Business Contributory Group	<i>Company with different Business Verticals, i.e. Product, Trading, Project, Service requires periodic assessment to evaluate continuance or discontinuance of vertical</i>		
iv. Capture Value – Returns and Rewards:	<i>Reinvestment of Surplus Capital</i>		<b>8</b>
Dividend/Ploughing back/ Inorganic growth	<i>Including on Social, Natural Capital – ESG Complement</i>		

\*\*Source - Concept - Global Accounting Principles - AICPA & CIMA

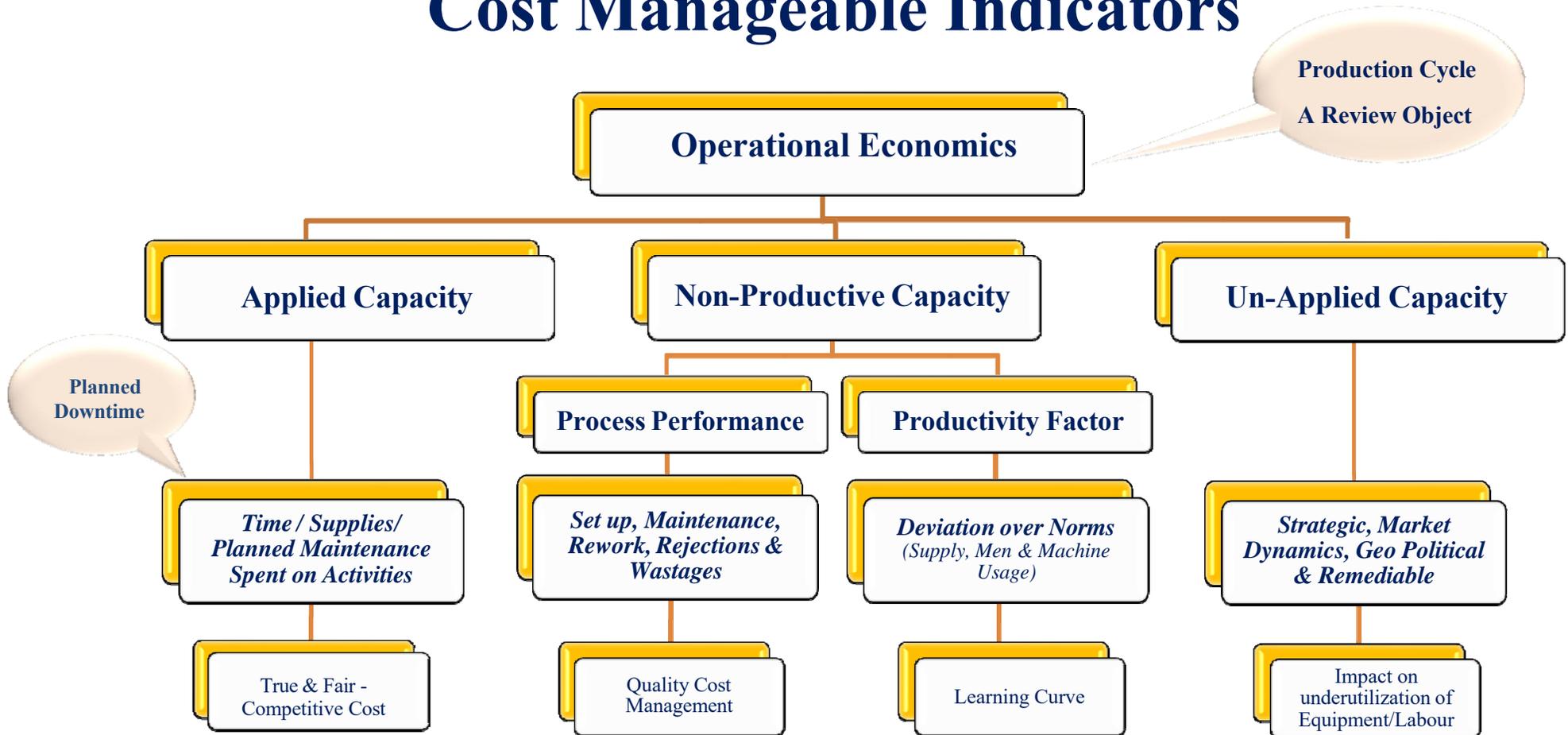
**ESG**

**E – Environmental Factor**

**“Waste - circularised as Non-Hazardous Products”**

<b>Industry</b>	<b>Joint Products</b>		<b>Business Strategy</b>
Copper	1	Sulphur Dioxide	Sulphuric Acid & DAP Fertiliser
	2	Slag / Sand	Road Construction, Abrasive Blasting Grit & Cement Production
Petroleum	1	Asphalt / Bitumen	Road Construction & Roofing
	2	Paraffin Wax	Manufacture of Candles, Waxed Paper, Polishes & Cosmetics
	3	Petroleum Coke (Pet coke)	Use as Fuel
	4	Greases	Use as Oil to reduce Friction in Engines & Industrial Machinery
	5	Petrochemical Feedstocks	Plastics, Synthetic Rubbers & Pharmaceuticals
	6	Petroleum Jelly	Use in Medicine & Skin Care
	7	Elemental Sulphur	Sulfuric Acid & Fertilizers
	7	Naphtha	Plastics & Synthetic Fibers
Textile	1	Hard Waste	Manufacture Lower-Grade Textile Products like Socks, Carpets, Door Mats, Gloves & Blankets
	2	Soft Waste	Stuffing for Pillows & Soft Toys
	3	Lanolin (Wool Grease)	Cosmetics, Ointments & Industrial Lubricants
	4	Textile Sludge & Effluents	Bricks or Cement in Construction or processed for Biogas production
	5	Sericin (Silk Gum)	Biomedical Applications (Wound Healing), Skincare Products, and as a Biodegradable Finishing Agent for other fabrics to add Antibacterial Properties
Cement	1	Cement Kiln Dust (CKD)	Agriculture - Potash & Lime
	2	Thermal energy - (Waste Heat)	Waste Heat - Generate Electricity
Pharma	1	Pharmaceutical Waste (Sludge)	Nutrient - Rich Additives - Biogas
Sugar	1	Molasses	Distilling Alcohol
	2	Bagasse	Fuel, Paper, Cardboard & Fibreboard
	3	Press Mud (Filter Cake)	Organic Fertilizer / Manure
Alcohol (Distillery)	1	Spent Wash (Vinasse)	Bio-Composting when mixed with Press Mud, as a Liquid Fertilizer (after Dilution) & for Potash Recovery through Incineration
	2	Fusel Oil	Fuel Additive
	3	Carbon Dioxide	Carbonated Beverages & Dry Ice
Power	1	Fly Ash / Ash Sludge	Cement Industry
	2	Thermal Energy (Waste Heat)	District Heating

# Cost Manageable Indicators



Source: Institute of Management Accountants, Inc. (IMA) – Conceptual Framework for Managerial Costing