

Interview



CMA Rajesh Kumar Dwivedi

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CMA Rajesh Kumar Dwivedi is Director Finance and CFO of Bharat Heavy Electricals Limited (BHEL). He is also the Chairman of BHEL-GE Gas Turbine Services Pvt. Ltd. (a JV of BHEL & GE) and Vice-Chairman of Bharat Coal Gasification and Chemicals Ltd. (a JV of BHEL & Coal India Ltd.). Prior to this, he has also held the position of Director (Finance) in Heavy Engineering Corporation Limited, from October 2022 to September 2024. Mr. Dwivedi had joined BHEL in 1992 as Executive Trainee (Finance) and has travelled all verticals of BHEL before taking over as Director Finance, BHEL.

Mr. Dwivedi is a distinguished Fellow Member of the Institute of Cost Accountants of India and also holds Master's degree in Business Administration (MBA). He has been instrumental in promoting the Finance & Cost Management profession in the country through his active association with the academia and Industry. Apart from being the founder of Jhansi Chapter, he has been the Chairman of Jaipur and Haridwar Chapters of ICMAI.

He has excelled in various roles in BHEL encompassing

Treasury Management, Business Proposal Evaluation, Budgeting, Cost & Management Accounting etc. apart from Financial Reporting and Performance Management to support manufacturing & construction operations of BHEL. His niche lies in systematically enabling the accomplishment of challenging targets by re-aligning the business processes, innovative procurement strategies, harnessing the economies of scale and capturing new possibilities. His dynamic approach has led various good governance practices, accountability metrics etc which have instilled confidence in the stakeholders of the company.

He has always prioritized investing in human capital by collaborating across the functions. He believes in building high-performing teams and accomplishing exceptional results through effective engagement and shared vision of the organisation.

Q1. Given the competitive global energy market, what are the top three cost optimisation/management initiatives BHEL is currently pursuing, and how are BHEL's CMAs driving these initiatives?

Ans. BHEL is committed to work towards sustainable growth, improved competitiveness, and profitability to deliver value to all stakeholders. There exists stiff competition and pricing pressure in markets, on the other hand customers demand the products which are based on latest technologies.

New business opportunities in the field of Nuclear, Defence, Transportation and Coal to Chemical have emerged due to energy transition where BHEL is poised to diversify and deliver. In this challenging business environment cost competitiveness is very much essential, therefore Cost Optimisation assumes paramount significance. BHEL has built a strong base of professionals wherein CMAs are driving cost optimisation measures as part of the Execution Teams and heading finance functions of various manufacturing Units and Regions.

To stay competitive, we are pursuing several cost-optimisation initiatives, and our CMAs are playing a central leadership role in driving them.

1. Material Cost Optimisation through Centralised Procurement: Our biggest thrust is on material cost optimisation since it forms the largest share of our project and product costs. We have operationalised a strong centralised procurement system where major commodities—like steel, copper, and aluminium—are bulk-procured for all units. Quarterly price discovery and long-term Framework Agreements help us secure better pricing and protect against market volatility. CMAs are deeply involved in price analysis, procurement strategy, and ensuring cost governance across units.

2. Vendor Base Expansion and Supply Chain Risk Mitigation: Given the complex

supply chain and global disruptions, expanding and diversifying the vendor base has become essential. BHEL is engaging more domestic and overseas suppliers to strengthen supply security and enhance competitiveness. CMAs here support vendor evaluation, costing, risk assessment, and overall sourcing strategies.

3. Strengthening the Vendor Ecosystem for Efficiency: We are also focusing on empowering vendors—through liquidity support, improved payment terms, transparent payment systems, faster clearances, and design standardisation. These measures improve vendor confidence and reduce material costs. Professionals drive many of these process improvements, ensuring financial discipline and ensuring shorter cycle times.

In FY 2024-25, Company achieved a 3.27% reduction in direct material costs by redefining systems and processes to optimize procurement efficiencies and implement cost-saving initiatives.

Q2. As a senior industry leader, what one specific area or topic do you believe the ICMAI (Institute of Cost Accountants of India) should emphasise more in its curriculum to better align future CMA graduates with the evolving needs of companies like BHEL (e.g., digitalisation, ESG reporting)?

Ans. The current CMA curriculum has made significant strides in providing comprehensive professional exposure to students. Today, CMAs operate in digital ERP and analytics based costing environments, where digitalization and artificial intelligence play a critical role in enhancing operational efficiency, strategic planning, and cost optimization. To make CMAs truly future-ready professionals, the curriculum should provide comprehensive coverage and due emphasis on advanced digital finance, AI applications and data analytics, equipping them to leverage technology for informed decision-making and value creation to the stakeholders.

Q3. What is your perspective on the biggest disruptive technological force (e.g., AI, Robotics) currently impacting the role of a Management Accountant within BHEL, and how should ICMAI CMA Students prepare for this transition?

Ans. The emerging technologies of AI and Robotics are rapidly evolving and industry is adapting to their effective use across business processes. These technologies represent a truly disruptive force that is reshaping not only costing and finance functions but the entire spectrum of operations. Within BHEL, the finance function is undergoing a significant digital transformation aimed at enhancing operational efficiency, strengthening strategic support and value creation.

While AI and robotics adoption is more visible in core manufacturing and production processes, their impact on the finance and cost management functions is equally profound. These technologies are enabling automated transaction processing, enhanced accuracy in financial operations, data-driven decision-making, real-time cost insights and predictive analytics. As a result, the traditional roles within finance are being reoriented toward more analytical, interpretative, and strategic advisories.

For CMA students, it is crucial to develop proficiency in the application of AI and robotics to stay competitive and future-ready. AI can analyse large volumes of documents, automate repetitive data-processing tasks, detect anomalies, generate predictive insights, flag deviations, and support real-time financial monitoring. However, critical thinking, contextual understanding, problem-solving, strategic decision-making and value judgment, especially under complex scenarios, will continue to remain core strengths of CMAs.

By embracing AI-driven cost and management accounting methodologies, CMAs can elevate their role in cost data analytics, financial forecasting, operational excellence, and strategic decision-making. To fully harness these opportunities, CMA students must continuously

upskill themselves in emerging technologies, advanced analytics tools, ERP systems and digital costing techniques, ensuring they remain relevant, future-ready and capable of delivering strategic value in an AI-driven business environment.

Q4. Looking ahead five years, how do you see the Director Finance role at BHEL evolving, and what specific new expertise from the CMA profession will be most critical to BHEL's success in achieving its long-term financial goals?

Ans. Over the next five years, the Director (Finance) at BHEL will evolve into a strategic value architect, focusing integration of Finance with operations to drive profitable growth. With BHEL's record order inflow and push into renewables, defence, international operations and green energy transition, the role will demand deeper involvement in strategic pricing, capital investment decisions, project cost optimisation, procurement efficiencies, and working capital management. As BHEL navigates Atmanirbhar Bharat, energy transition, and global uncertainties, the Director (Finance) will have to lead enterprise risk management, liquidity and alignment with ESG priorities, to steer BHEL toward sustained, profitable growth

In this transformation, CMAs competencies in strategic cost management, marginal costing, scenario planning, performance analytics, forecasting, and budgeting will be vital for improving execution efficiency and profitability across EPC and renewable projects. The skills in AI-enabled analytics, automated budgeting, real-time dashboards, and digital financial controls will also be equally critical to support BHEL's shift toward data-driven decision-making. These capabilities will empower the Director (Finance) to not only strengthen financial discipline but proactively shape BHEL's growth trajectory, enabling the company to achieve its financial and strategic goals.

Q5. In the context of BHEL's diverse manufacturing operations, how has cost audit contributed to strengthening cost transparency and improving operational efficiency? Can you share how BHEL leverages cost audit findings to support strategic decisions and regulatory compliance?

Ans. Cost audits provide a granular, product-wise view of material consumption, labour utilisation, overhead build-up, capacity utilisation across BHEL's manufacturing units. This transparency helps identify inefficiencies such as avoidable wastages, excess inventory holding, imbalanced workloads, and cost overruns in equipment manufacturing. As a result, cost audit insights enable BHEL to rationalise cost structures, improve productivity, optimise supply-chain processes and enhance competitiveness in both domestic and global tenders.

Cost Audit also evaluates compliance with the Companies Act and Cost Audit Rules ensuring accuracy and transparency in cost reporting. Overall, cost audits serve as a strategic tool that enhances financial discipline, supports regulatory adherence, and drives continuous operational improvement across BHEL's value chain.

Q6. What advice would you offer to CMA Students seeking a fast-track career in the core manufacturing or infrastructure sector, and what unique traits do you look for when recruiting young CMAs for BHEL?

Ans. For CMA students aspiring to build a fast-track career in manufacturing or infrastructure, my foremost advice is to master the fundamentals of cost management, budgeting and project finance, as these are the core pillars of these sectors. I would also advise to develop a thorough understanding of business processes, supply-chain dynamics and project lifecycles. Students should develop their skills in data analytics, ERP systems, and AI-enabled tools, as digital transformation is reshaping the finance function. Always, stay updated with developments in regulatory frameworks, Compliances, ESG reporting and global best practices, which will

shape future opportunities.

While recruiting young CMAs for BHEL especially for the position of Executive Trainee (Finance), we assess far more than professional knowledge. Along with strong fundamentals in accounting, costing, and financial management, we look for candidates with analytical aptitude, logical reasoning, and problem-solving skills essential for executing large EPC projects and undertaking complex financial operations. Equally important are business acumen, clarity of thought, effective communication and the ability to interpret financial data, which are critical for thriving in BHEL's performance-oriented environment.

Q7. How can ICMAI Members enhance their contribution to the corporate governance and risk management framework of a PSU like BHEL, beyond traditional compliance roles?

Ans. With their professional expertise in cost structures, financial analytics, and performance measurement, CMAs can strengthen Corporate governance by providing data-backed financial insights for board level decision making, driving excellence in management reporting and enhancing the robustness of internal cost and budgetary controls as well as governance frameworks.

In risk management, CMAs can play a more strategic role by participating in the enterprise risk management (ERM) frameworks, quantifying identified risks and applying analytics to flag early-warning signals. The risk related to Project execution such as project delays, cost overruns, supply-chain disruptions, or liquidity pressures can be appropriately managed with professional handling. Furthermore, CMAs can strengthen governance culture by promoting transparency and efficiency in procurement, working capital cost optimisation, digitisation of financial processes, and continuous improvement. Hence, the ICMAI members may contribute not just compliance partners but strategic enablers of accountability, risk mitigation and value creation within the PSU ecosystem. **MA**