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STRATEGIC
ROLE OF

CMA^s

IN RISK MANAGEMENT,
COST MANAGEMENT AND
INNOVATION IN THE

BANKING

SECTOR



Journal of



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THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA

भारतीय लागत लेखाकार संस्थान

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- **THE INSTITUTE OF COST ACCOUNTANTS OF INDIA** (erstwhile The Institute of Cost and Works Accountants of India) was established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.
- On 28 May 1959, the Institute was established by a special Act of Parliament, namely, the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of Cost & Management Accountancy.
- It has since been continuously contributing to the growth of the industrial and economic climate of the country.
- The Institute of Cost Accountants of India is the only recognized statutory professional organisation and licensing body in India specialising exclusively in Cost & Management Accountancy.

VISION STATEMENT

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

MISSION STATEMENT

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

Institute Motto

असतोमा सद्गमय
तमसोमा ज्योतिर् गमय
मृत्योर्मांमृतं 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

IDEALS THE INSTITUTE STANDS FOR

- to develop the Cost and Management Accountancy Profession
- to develop the body of members and properly equip them for functions
- to ensure sound professional ethics
- to keep abreast of new developments



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**Behind every successful business decision,
there is always a CMA**

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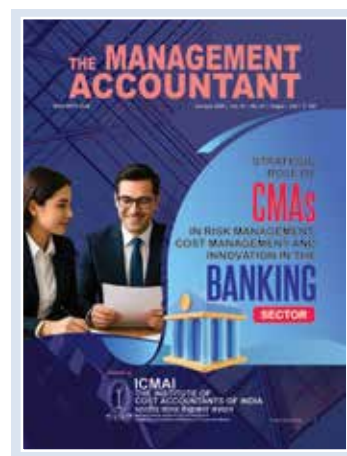
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From the EDITOR'S DESK

As we welcome the New Year 2026, we extend our warmest wishes to all our readers for a year marked by progress, stability, and renewed professional purpose. The banking sector is currently undergoing a profound transformation driven by digitalization, regulatory reforms, and rising expectations around transparency, governance, and performance. In this dynamic environment, the strategic role of Cost and Management Accountants (CMAs) has become increasingly indispensable. With their strong expertise in cost management, financial analysis, and strategic planning, CMAs enable banks to enhance operational efficiency while supporting informed, value-based decision-making.

Looking ahead, CMAs will continue to play a pivotal role in shaping the future of the banking sector through their contributions to risk management, profitability analysis, governance frameworks, and sustainable growth initiatives. Their analytical insight and strategic perspective equip banks to respond proactively to emerging challenges while preserving long-term resilience. As we begin the New Year, this Journal reaffirms its commitment to sharing knowledge, research, and professional perspectives that empower the CMA fraternity. We wish all our readers a successful year filled with learning, leadership, and meaningful contributions to the financial ecosystem.

The January 26 issue is themed “Strategic Role of CMAs in Risk

Management, Cost Management and Innovation in the Banking Sector.” This issue features a curated selection of articles, glimpses of which are outlined below:

- ⊙ *Strategic Role of CMAs in Risk Management, Cost Management and Innovation in the Banking Sector* outlines the multi-dimensional and future-oriented contributions of CMAs in strengthening risk management frameworks, enforcing cost discipline, and driving innovation within the Indian banking system.
- ⊙ *CMAs Role in Credit Appraisal, Project Financing, and Cost-Benefit Analysis* highlights how CMAs enhance the accuracy of credit risk assessment through detailed evaluation of project viability, sensitivity analysis, production costs, and break-even dynamics.
- ⊙ *Role of Cost and Management Accountants (CMAs) in the Proposed Expected Credit Loss (ECL) Framework in Indian Banks* examines the Reserve Bank of India's shift to the ECL provisioning framework, emphasizing the critical role of CMAs in forward-looking analysis, model oversight, rigorous audit processes, and financial reporting.
- ⊙ *Quantifying the Greenwashing Risk Premium: An Empirical Study on Global Sustainable*

Funds presents evidence that higher Greenwashing Suspect Index (GSI) scores are associated with higher excess returns, particularly in developing economies. However, this premium is unstable and vulnerable to regulatory action and ESG downgrades, offering a cautionary signal for investors to adopt GSI-based screening and portfolio diversification.

- ⊙ *Bank Branches Shifting to Gated Communities: A Strategic Transformation in Retail Banking* explores how gated communities function as modern villages with high population density and predictable customer behavior, creating opportunities for cost reduction, credit risk mitigation, personalized service delivery, cross-selling, and enhanced profitability through optimized staffing and alternative delivery channels.
- ⊙ *Assessing Cost Efficiency in Financial Inclusion Schemes: The Strategic Role of CMAs* highlights the vital role CMAs play in advancing financial inclusion by designing cost-effective strategies, strengthening financial governance, and enhancing accountability mechanisms.
- ⊙ *Credit Discipline through SMAs: Strategic Role of CMAs in Monitoring Large Borrowal Accounts* examines how structured monitoring frameworks, supported by the expertise of CMAs and advanced technology, can improve credit discipline, mitigate risk, and strengthen asset quality in large borrowal accounts.

This month's issue also features “*The Digital Risk Paradox: A Management Puzzle in Indian Banking—Why Digitization Amplifies Operational and Systemic Risk*” under the *Applied Insights* section.

In addition to these theme-based contributions, the issue includes expert perspectives on emerging trends of relevance to Management Accountants, Finance Professionals and Policymakers. We are especially privileged to present an exclusive interview with CMA Rajesh Kumar Dwivedi, Director (Finance) and Chief Financial Officer, Bharat Heavy Electricals Limited (BHEL), New Delhi, offering valuable insights from a seasoned industry leader.

We wish you a very Happy New Year and an engaging and enriching reading experience.



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Members, Students, Employees & Well Wishers of the Institute
Wishing you a Healthy, Prosperous & Happy New Year

2026

JANUARY

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JANUARY

26 Republic Day

MARCH

04 Holi
21 Id-ul-Fitr
26 Ram Navami

31 Mahavir Jayanti

APRIL

03 Good Friday

MAY

01 Buddha Purnima
27 Id-ul-Zuha (Bakrid)

JUNE

26 Muharram

AUGUST

15 Independence Day
26 Milad-un-Nabi or Id-e
-Milad (Birthday of
Prophet Mohammad)

SEPTEMBER

04 Janmashtami (Vaishnava)

OCTOBER

02 Mahatma Gandhi's
Birthday
20 Dussehra

NOVEMBER

08 Diwali (Deepavali)

24 Guru Nanak's Birthday

DECEMBER

25 Christmas Day

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Motto

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

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Behind every successful business decision, there is always a CMA



President's Communiqué

CMA TCA Srinivasa Prasad

President

The Institute of Cost Accountants of India

“Education for service; discipline for self-control; character for courage.”

-- Netaji Subhash Chandra Bose

My Dear Professional Colleagues,
Namaskaar!

As we joyfully welcome the dawn of New Year 2026, the Institute extends heartfelt greetings and best wishes to each one of you and your family. May this year bring abundant joy, good health, success, and fulfilment in every endeavour.

The beginning of a new year is always a time for reflection and renewal; an opportunity to look back with gratitude on our achievements and to look forward with hope and confidence toward greater milestones. As members of the CMA fraternity, we play a vital role in guiding businesses and organizations towards sustainable growth, discipline and strategic excellence. Our contribution is not only to the corporate world but to the nation's economic development and governance as well.

Let us enter 2026 with renewed energy, inspiration, commitment and determination to uphold the highest standards of integrity, innovation and professional excellence. Together, let us continue to expand the reach and relevance of our profession, empowering industries and institutions through sound management practices and ethical leadership. May the New Year bring

fresh perspectives, boundless opportunities and enduring prosperity for all; Let us move forward with faith, unity and an unwavering commitment to building a brighter and stronger tomorrow.

63rd National Cost and Management Accountants' Convention (NCMAC) 2026

Members are once again reminded to participate in the 63rd National Cost & Management Accountants' Convention (NCMAC) 2026, being organized by the Institute from 9th to 11th January 2026 at Merlis Hotel, Coimbatore, Tamil Nadu. The NCMAC, themed “RISE India – Reposition India and CMAs, Intensify Growth, Strengthen Competence & Enhance Capabilities,” is envisioned as a premier national platform for thought leadership, professional dialogue and strategic deliberations relevant to the evolving role of CMAs in nation building.

The three-day Convention will bring together distinguished professionals, policymakers, industry leaders, academicians and members from across the country, offering rich opportunities for knowledge sharing, networking and professional enrichment. Members are encouraged to register and participate in large numbers and contribute meaningfully to the deliberations, reaffirming the collective commitment of the CMA fraternity towards professional excellence and India's growth aspirations.

If you have not registered for the NCMAC – 2026 yet, please do register at the earliest using

the link: <https://icmai.in/NCMAC-2026/> or the appended QR Code:



Meeting with the Dignitaries

CMA Manoj Kumar Anand and CMA Chittaranjan Chattopadhyay, Council Members, called on Shri D. Anandan, IAS, Additional Secretary, Dept. of Expenditure, Ministry of Finance and Govt. Nominee Director on the Board of Punjab National Bank, on 12th December 2025 at New Delhi.

It is a pleasure to inform that the Institute was represented by the undersigned, along with CMA Neeraj D. Joshi, Vice President and CMA Manoj Kumar Anand, Council Member, ICMAI in felicitating CMA Rajesh Kumar Dwivedi, Director (Finance), Bharat Heavy Electricals Limited (BHEL) on 18th December 2025 at New Delhi.

The undersigned along with CMA Neeraj D. Joshi, Vice President and CMA Manoj Kumar Anand, Council Member, ICMAI had a meeting with CMA Gaurav Gulati, Director (Finance), NSIC Ltd. on 18th December 2025 at New Delhi.

The undersigned along with CMA Manoj Kumar Anand, Council Member, ICMAI met Shri D. Balamurugan, IAS, Joint Secretary to the Government of India, Ministry of Corporate Affairs 18th December 2025 at New Delhi and apprised him of the latest Institute activities.

The undersigned along with CMA Neeraj D. Joshi, Vice President and CMA Manoj Kumar Anand, Council Member, ICMAI met with CMA Ashok Kumar, Director (Finance), National Seeds Corporation (NSC) Ltd. on 19th December 2025 at CMA Bhawan, New Delhi.

The undersigned along with CMA Neeraj D.

Joshi, Vice President and CMA Manoj Kumar Anand, Council Member, ICMAI, called on Shri Jitan Ram Manjhi, Hon'ble Union Minister of Micro, Small and Medium Enterprises on 19th December 2025 at New Delhi.

The undersigned called on the Hon'ble Vice President of India, Shri C. P. Radhakrishnan, on 26th December 2025 at Vice-President Enclave, New Delhi and apprised him of the Institute's recent initiatives for students and members.

The undersigned met the Hon'ble Chief Minister of Arunachal Pradesh, Shri Pema Khandu on 26th December 2025 at, New Delhi and apprised him of the Institute's initiatives for the North East Region of our Country

The undersigned along with CMA Manoj Kumar Anand, Council Member, ICMAI felicitated CMA Rakesh Kumar Jain Director (Finance), GAIL on 31st December 2025 at New Delhi.

Discussions with IIM Ahmedabad

The Institute had discussions with Indian Institute of Management, Ahmedabad at Ahmedabad on 26th December 2025 on the strategy formulation for shaping the future direction and long term vision of the Institute in alignment with the national vision of Viksit Bharat 2047.

National Finance Seminar organised by NLC India Limited

The undersigned got an opportunity to join the National Finance Seminar organised by NLC India Limited (NLCIL), held on 5th & 6th December 2025 at Neyveli, Tamil Nadu. The seminar brought together senior finance leaders and professionals from leading organisations, including CMA (Dr.) Prasanna Kumar Acharya, Director (Finance), NLCIL; CMA G. Ravisankar, Director (Finance), PGCIL; CMA Bikram Keshari Das, Director (Finance), UCIL and Shri Surendra Singh Kshatriya, Director (Finance), MECL, fostering meaningful deliberations on

contemporary financial issues and best practices.

Northern Region Chapters' Meet

The undersigned along with the other Council colleagues had an opportunity to address the representatives of NIRC Region and Chapters during the Northern Region Chapters' Meet - 2025 conducted by NIRC in association with Regional Council & Chapters Coordination Committee on 7th December 2025 at Jaipur, Rajasthan.

Pune Book Festival 2025

The Institute participated in the Pune Book Festival 2025 during 13th to 21st December 2025, organized by the National Book Trust, India under the Ministry of Education, Government of India at Fergusson College, Pune. The stall of the Institute was inaugurated on 13th December 2025 by CMA Neeraj D. Joshi, Vice President in the presence of CMA Harshad Deshpande, Chairman, Journal & Publications Committee, CMA Chaitanya Mohrir, Secretary, WIRC, CMA Shrikant Ippalpalli, Chairman, Pune Chapter and CMA Rahul Chincholkar, Vice Chairman, Pune Chapter. The Institute's stall created considerable excitement among visitors.

CAT - Directorate General Resettlement (DGR), Ministry of Defence, Government of India batches in Chennai

The undersigned along with CMA (Dr.) V. Murali, Council Member, ICAI, CMA Vijay Kiran Agastya, Chairman, ICAI-SIRC, CMA Rajesh Sai Iyer, Secretary, ICAI-SIRC in the august presence of Major Harsha Vardhan Reddy who graced the occasion as the Chief Guest, attended the Inaugural session of the new batch at ICAI-SIRC, Chennai, on 24th December 2025.

Earlier, the undersigned along with CMA (Dr.) V. Murali, Council Member, ICAI and Lieutenant Colonel Nitin Kaura, the Chief Guest attended the valedictory session of the CAT Course batch at ICAI-SIRC, Chennai, on 12th December 2025.

Membership Initiatives

It is heartening to note that in the month of December 2025, 223 new individuals joined as Associate Members, while 28 Associate Members were elevated to Fellowship. As we begin the New Year, the undersigned extends warm welcome and heartfelt greetings to all the members.

Students who have successfully completed the final examination, possess at least three years of relevant professional experience and have not yet obtained Associate Membership are encouraged to apply promptly to enjoy the full benefits of membership. Membership applications can be submitted online at:

<https://eicmai.in/external/ChooseApplicationType.aspx>

Members are also requested to log in to the Members' Online System and verify that their contact information is accurate. If any updates or corrections are required, please submit Form M-8 online after logging in or download the form and email the completed and signed copy to membership@icmai.in

Two-Day Residential Programme on ESG: Empowering Enterprises for a Sustainable Future

The Sustainability Standards Board of the Institute in association with the Cochin Chapter organized a two-day residential programme on "ESG: Empowering Enterprises for a Sustainable Future" on 13th & 14th December, 2025, at Vagamon, Kerala. The event was inaugurated by Shri A.P.M. Mohammed Hanish, IAS, Principal Secretary (Industries), Government of Kerala. Distinguished participants included CMA (Dr.) K. Ch. A. V. S. N. Murthy, Council Member, CMA Vijay Kiran Agastya, Chairperson, SIRC and CMA Praveen Kumar, PD Committee Chairperson, SIRC.

Technical sessions covered diverse aspects

of ESG and the key takeaways such as Design Perspectives, ESG Reporting, Assurance & Data Integrity, Sustainable Finance & Responsible Investment and a Panel Discussion on ESG in Action – Key Takeaways and the Road Ahead featuring industry experts from SYNE, WRI India, Kochi Metro Rail Ltd., and ICAI. The programme also included a Green Walk and tree plantation drive, reinforcing the theme of sustainability.

Seminar on “New Labour Codes 2025” at Bengaluru

The ICAI SIRC and Bengaluru Chapter organised a Seminar on “New Labour Codes 2025” on 25th December 2025 in association with the Ministry of Labour & Employment, Government of India, at BWSSB Suvarna Bhavana, Malleswaram, Bengaluru.

Smt. Shobha Karandlaje, Hon’ble Minister of State, Ministry of Micro, Small & Medium Enterprises, Government of India graced the occasion as the Chief Guest. The undersigned along with CMA Suresh R Gunjalli, Council Member, CMA Vijay Kiran Agastya, Chairman, SIRC, CMA BK Raghavendra, Chairman, Bengaluru addressed the participants. RCMs of SIRC and MC members of Bengaluru Chapter also addressed the participants.

Release of the 3rd Edition of the Aide Memoire on Infrastructure Financing

The BFSI of the Institute released the 3rd Enlarged and Revised Edition of the Aide Memoire on Infrastructure Financing at Mumbai. The publication was released by Shri C. S. Setty, Chairman, State Bank of India, in the presence of CMA Chittaranjan Chattopadhyay, Chairman, BFSI Board and Council Member, and CMA (Dr.) K. Ch. A. V. S. N. Murthy, Council Member, ICAI.

The BFSI has also commenced the admissions for the following certificate courses:

- ◎ Certificate Course on Concurrent Audit of Banks (13th Batch)
- ◎ Certificate Course on Credit Management in Banks (13th Batch)
- ◎ Certificate Course on Treasury and International Banking (11th Batch)

The admission window for all the above courses is open and applications can be submitted through the following link latest by 31st January 2026:

<https://eicmai.in/OCMAC/BFSI/DelegatesApplicationForm-BFSI.aspx>

As we step into the New Year, let us renew our shared resolve to pursue excellence, foster innovation and serve the nation with dedication. The Institute extends its heartfelt wishes to all Members and Students on Hazarat Ali Birthday, Makar Sankranti, Magha Bihu, Pongal, Netaji Subhash Chandra Bose birthday, Basant Panchami, Sri Panchami and Republic Day.

Jai Hind!

With warm regards,



CMA TCA Srinivasa Prasad

1st January 2026

BRIEF SUMMARY OF THE ACTIVITIES OF VARIOUS DEPARTMENTS/ COMMITTEES/ BOARDS OF THE INSTITUTE DURING THE MONTH OF DECEMBER 2025

COOPERATIVE DEVELOPMENT BOARD

The Cooperative Development Board (CDB) organized the *Second in Series Webinar* on the theme “Understanding the New Labour Codes: Key Concepts and Compliance Essentials for the Cooperative Sector” on 19th December 2025. Mr. Vinay Kumar Chauhan, Managing Director of the National Labour Cooperatives Federation of India Ltd. (NLCF), graced the event as the Chief Guest.

The first webinar on this topic, held on 29th November 2025, received an enthusiastic response, attracting participation from nearly 600 viewers. These CDB webinars continue to draw wide engagement not only from CMA members but also from officials and representatives of Cooperative Societies.

Both sessions were dedicated to enhancing the practical understanding of India’s New Labour Codes – 2025, which were notified on 21st November 2025, by the Ministry of Labour and Employment. The Codes consolidate 29 central legislations into four comprehensive frameworks:

- ⊙ The Code on Wages, 2019 (Wage Code)
- ⊙ The Industrial Relations Code, 2020 (IR Code)
- ⊙ The Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code)
- ⊙ The Code on Social Security, 2020 (SS Code)

The discussions emphasized the implications and compliance requirements of these new labour reforms for Cooperative Societies across India.

Additionally, the CDB released Volume VI of its quarterly journal, *CMAs Cooperative Digest*, this month. The publication is now available on the Institute’s website.

CAREER COUNSELLING & PLACEMENT COMMITTEE

CMA Campus Placement Programme – June 2025 Term

The Directorate of Career Counselling &

Placement of the Institute successfully conducted the CMA Campus Placement Programme for newly qualified CMAs of the June 2025 Term during November and December 2025.

The programme was organized across multiple centres — Kolkata, Hyderabad, Pune, Ahmedabad, Jaipur, Vijayawada, and Bengaluru — providing new professionals with a structured platform to embark on their careers. The campus placement drives witnessed enthusiastic participation from leading Public Sector Undertakings (PSUs), multinational corporations (MNCs), and reputed corporate organizations.

Highlights of the Placement Drives

Pune (6th–7th November 2025):

Participating recruiters included NBCC (India) Ltd., Global Financial Services & Systems – Eaton Technologies, Cosmos Co-operative Bank Ltd., Bajaj Finserv Asset Management Ltd., and UPL Limited.

Jaipur (13th November 2025):

Honda Cars India Ltd. participated in the placement programme.

Ahmedabad (17th –18th November 2025):

Recruiters included ITC Limited – Hotels, UPL Limited, Ratnaafin Capital Pvt. Ltd., Texspin Bearings Ltd., Naman In-Store (India) Ltd., Sun Pharmaceutical Industries Ltd., Cosmos Co-operative Bank Ltd., RSM Astute Consulting Pvt. Ltd., Biwal Corporate Consultancy (OPC) Pvt. Ltd., Image Gravures, Hemanshu Shah & Co., and Ashapura Logistics Ltd.

Kolkata (20th –21st November & 3rd December 2025):

Participating organizations included NLC India Limited (PSU), Tax Connect Advisory Services LLP, R. Tulsian & Co. LLP, Alpha Centauri Mining (Gabon), and Fenesta Building Systems.

Bengaluru (25th –28th November 2025):

The event attracted top recruiters such as Bharat Electronics Limited (PSU), BEML Limited (PSU), Accenture Solutions Pvt. Ltd., Teva Pharmaceutical Industries Ltd., RSM Astute Consulting Pvt. Ltd., Avega Business Solutions Pvt. Ltd., Cosmos Co-operative Bank Ltd., and Tax Connect Advisory Services LLP.

Vijayawada (4th, 5th & 10th December 2025):

Recruiters included Tax Connect Advisory Services LLP, Kribhco Green Energy Pvt. Ltd., RSM Astute Consulting Pvt. Ltd., KIA India Pvt. Ltd., VC Nutri Foods Pvt. Ltd., Kerala Ayurveda Ltd., and Shriram Life Insurance.

Hyderabad (2nd & 22nd December 2025):

ITC Limited – Hotels, Zenardy Technologies Pvt. Ltd., and Neuland Laboratories Ltd. participated in the drives.

The Institute successfully facilitated placement opportunities for over 300 qualified CMAs from the June 2025 Term. ICAI remains steadfast in its mission to nurture competent, ethical, and industry-ready professionals who contribute significantly to the nation's economic development.

Career Counselling and Awareness Initiatives

The Directorate of Career Counselling & Placement, in collaboration with the Regional Councils and Chapters of the Institute, continued to strengthen its career counselling initiatives to help students make informed career choices and enhance their professional prospects.

ICAI Chapters — including Nellore, Coimbatore, Trivandrum, Vijayawada, Bengaluru, Hyderabad, Pune, Baroda, Ahmedabad, Pimpri Chinchwad, Howrah, Jaipur, and Lucknow — along with the SIRC, EIRC, NIRC, WIRC, and the Headquarters, organized several career counselling sessions in schools and colleges to promote awareness about the CMA course and its career opportunities.

DIRECTORATE OF CAT

CAT Course in Partnership with the Directorate General Resettlement (DGR), Ministry of Defence, Government of India

A new batch of the CAT Course commenced at

Kochi on 8th December 2025, followed by another batch at the Southern India Regional Council (SIRC) of ICAI, Chennai on 22nd December 2025. The inaugural ceremony of the Kochi batch, held on 17th December 2025, was graced by Commander Rahil Rai, Joint Director (Training), DRZ (South), as the Chief Guest. In his address, he commended ICAI's continued commitment to capacity building among defence personnel and encouraged participants to leverage the structured learning of the CAT Course for a smooth transition into civilian professional life.

The inaugural programme of the new batch at ICAI–SIRC, Chennai, was held on 24th December 2025, in the august presence of CMA TCA Srinivasa Prasad, President, ICAI; CMA (Dr.) V. Murali, Council Member, ICAI; CMA Vijay Kiran Agastya, Chairman, ICAI–SIRC; CMA Rajesh Sai Iyer, Secretary, ICAI–SIRC; and Major Harsha Vardhan Reddy, who graced the occasion as the Chief Guest. The dignitaries congratulated the participants for their initiative in enhancing their professional competencies and lauded the Institute's efforts in equipping retiring and retired defence personnel with contemporary knowledge in accounting, compliance, and analytical domains.

Earlier, the valedictory programme of a CAT Course batch at ICAI–SIRC, Chennai, was held on 12th December 2025. The session was addressed by CMA TCA Srinivasa Prasad, President, ICAI; CMA (Dr.) V. Murali, Council Member, ICAI, and Lieutenant Colonel Nitin Kaura, the Chief Guest. Lieutenant Colonel Kaura praised the discipline, perseverance, and dedication of the participants and acknowledged ICAI's pivotal role in providing a structured professional pathway for defence personnel transitioning to civilian careers.

Furthermore, the valedictory function of another CAT Course batch was held at the ICAI–Patna Chapter on 24th December 2025 in hybrid mode, in the presence of the Managing Committee Members. CMA Panak Singh, Chairman, ICAI–Patna Chapter, and Lieutenant Colonel Prashant Mishra, Joint Director (Training), DRZ (Central), addressed the gathering. The speakers congratulated the participants on their successful completion of the course and appreciated the Institute's sustained efforts in facilitating the professional reintegration of defence personnel through structured,

industry-relevant education.

Across all these programmes, the Chief Guests and dignitaries consistently recognized ICAI's significant contribution to nation-building by empowering ex-servicemen with professional skills, and encouraged the participants to uphold the enduring values of discipline, integrity, and excellence as they embark on their next professional journey.

SUSTAINABILITY STANDARDS BOARD

a. Vasudhaiva Kutumbakam Series

- ☉ **46th Webinar:** The Board organized the 46th webinar under the Vasudhaiva Kutumbakam series on 12th December 2025. The session focused on the theme “Purpose of Business, SDGs, NGRBCs, ESG, BRSR Framework and Valuations.” CMA Pramod Jain, ESG Professional, served as the speaker for the session.
- ☉ **47th Webinar:** The 47th webinar of the series was held on 26th December 2025 on the topic “The Sustainable Path of Viksit Bharat.” Shri Deepak Jain, PCS, was the speaker for the session.

b. “Parinayati” Series

The Board, in collaboration with the International Affairs Committee, organized the 4th edition of the “Parinayati” series on December 23, 2025. The session was centered on “ESG and Sustainability Reporting in a Small Island—Jamaica: Framework, Comparison and Role of CMA.” CMA A. Sekar, Practising Company Secretary, and Dr. Ranjith Krishnan, Sustainability Consultant, were the speakers for the event.

c. Monthly Newsletter – Sukhinobhavantu

The Sustainability Standards Board (SSB) released Volume XXIX, the December 2025 edition of its monthly newsletter Sukhinobhavantu. The newsletter can be accessed at https://icmai.in/upload/Institute/Updates/SSB_Dec_2025.pdf

d. Certificate Course on ESG

Admissions for the 6th batch of the Certificate Course on ESG are now open.

Interested candidates can apply by following the link: <https://icmai.in/OCMAC/SSB/SSB.aspx>

INTERNATIONAL AFFAIRS DEPARTMENT

A delegation from the Institute comprising CMA Ashish P. Thatte, Chairman, International Affairs Committee; CMA Rajendra Singh Bhati, Council Member; and CMA (Dr.) K. Ch. A. V. S. N. Murthy, Council Member, visited Jakarta to attend the CAPA Meetings and IFAC Connect: ASIAPAC held from 3rd to 5th December 2025. The IFAC Connect 2025, themed “Leading Sustainability Transformation: Global Standards, Regional Solutions,” focused on exploring practical strategies and partnerships to drive sustainability through international standards, regional innovations, and impactful reporting practices.

ICMAI REGISTERED VALUERS ORGANIZATION (RVO)

ICMAI RVO successfully conducted a 50-hour Training Programme for the Securities or Financial Assets class during December 2025. In addition, ICAI RVO organized six online Professional Development Programmes and two physical sessions held in Chennai.

Continuing its commitment to the advancement of the valuation profession, ICAI RVO also released the latest issue of its monthly journal, The Valuation Professional, featuring insights and developments in the field of valuation.

ICMAI SOCIAL AUDITORS ORGANISATION (SAO)

ICMAI SAO organized three Professional Development Programmes in December 2025:

1. Professional Opportunities for CMAs in Social Stock Exchange and Social Impact Assessments – 2nd December 2025
2. Registration of Social Enterprises on the Social Stock Exchange – 26th December 2025
3. Social Stock Exchange Awareness Programme – 29th December 2025 in Bengaluru.

Further, ICAI SAO released the latest edition of its monthly journal, The Social Impact Assessor.



Chairman's Communiqué

CMA Harshad Shamkant Deshpande
Chairman, Journal & Publications Committee
The Institute of Cost Accountants of India

"Great things are not done by impulse, but by a series of small things brought together." – Vincent van Gogh

Dear Readers,

As we bid farewell to 2025 and welcome the dawn of 2026, I extend my heartfelt greetings to each of you. This past year has been one of remarkable progress for our Journal & Publication Committee, and it is only fitting that we celebrate these milestones together.

Glimpses of 2025

- ⦿ **Enhanced Accessibility:** We successfully transitioned our publications to more digital first formats, ensuring members across India and abroad could access journals seamlessly. Introduction of flip book version, Audio podcasts & blogs helped readers to access quality content.
- ⦿ **Launch of Subscription scheme for physical copies:** The journal is now delivered through magazine post, ensuring reliable distribution with tracking facilities for subscribers. Annual subscriptions are offered at concessional rates to encourage members and students to continue enjoying the pleasure of reading. In recognition of their long standing association, senior members receive additional concessions.
- ⦿ **Quality & Depth:** Our editorial standards were elevated, with more peer reviewed articles, thought leadership pieces, and industry insights enriching every edition. This initiative reflects our promise: knowledge delivered with care, recognition, and pride.
- ⦿ **Member Visibility:** We introduced new sections spotlighting member achievements, research contributions, and council initiatives, strengthening the sense of unity and recognition.
- ⦿ **Design & Engagement:** A refreshed layout and interactive features made our journals more engaging, reader friendly, and visually appealing.
- ⦿ **Enhancements:** Introduction of audio podcast of select articles, Webinar of eminent writers uncovering stories between the lines.

Looking Ahead to 2026: The Management Accountant 2.0 (TMA2.0)

The coming year promises even greater strides:

- ⦿ **Global Reach:** Expanding collaborations with international bodies to bring diverse perspectives into our publications. We embarked our first step by participating in Pune Book Festival. We plan for more such collaborative events
- ⦿ **Innovation in Format:** Introducing **TMA Mobile App**, multimedia supplements, podcasts, infographics, to complement traditional journals.
- ⦿ **Inclusivity:** Ensuring every stakeholder's voice finds space, with allowing subscriptions to students, young professionals, and senior leaders alike.
- ⦿ **Knowledge for Action:** Aligning our publications with emerging trends in finance, governance, and sustainability, so members are equipped for the future.

Dawn of 2026: A New Era for TMA 2.0

2025 was a year of building foundations; 2026 will be a year of transformation. Together, we will continue to uphold the values of transparency, excellence, and unity that define CMA.

On behalf of the Journal & Publication Committee, I wish you and your families a prosperous, healthy, and inspiring New Year. Let us step into 2026 with renewed energy and collective pride.

"Publications are not just pages; they are the voice of our collective journey. 2025 gave us clarity, 2026 will give us vision."

Warm regards,

CMA Harshad S Deshpande

1st January 2026



CMA TCA Srinivasa Prasad, President, ICAI, called on the Hon'ble Vice President of India, Shri C. P. Radhakrishnan, on 26.12.2025 at Vice-President Enclave, New Delhi and apprised him of the Institute's recent initiatives for students and members.



CMA TCA Srinivasa Prasad, President along with CMA Neeraj D. Joshi, Vice President and CMA Manoj Kumar Anand, Council Member, ICAI, called on Shri Jitan Ram Manjhi, Hon'ble Union Minister of Micro, Small and Medium Enterprises on 19.12.2025 at New Delhi



CMA TCA Srinivasa Prasad, President along with CMA Neeraj D. Joshi, Vice President and CMA Manoj Kumar Anand, Council Member, ICAI extending greetings to CMA Gaurav Gulati, Director (Finance), NSIC Ltd. on 18.12.2025 at New Delhi



CMA TCA Srinivasa Prasad, President along with CMA Neeraj D. Joshi, Vice President and CMA Manoj Kumar Anand, Council Member, ICAI extending greetings to CMA Rajesh Kumar Dwivedi, Director (Finance), Bharat Heavy Electricals Limited (BHEL) on 18.12.2025 at New Delhi



CMA TCA Srinivasa Prasad, President along with CMA Manoj Kumar Anand, Council Member, ICAI extending greetings to CMA Rakesh Kumar Jain, Director (Finance), GAIL in presence of Ms. Nalini Malhotra ED (Finance) GAIL and Ms Anjana Sanjeeva CGM (Finance) GAIL on 31.12.2025 at New Delhi



CMA TCA Srinivasa Prasad, President along with CMA Neeraj D. Joshi, Vice President and CMA Manoj Kumar Anand, Council Member, ICMAI felicitated CMA Ashok Kumar, Director (Finance), National Seeds Corporation (NSC) Ltd. on 19.12.2025 at CMA Bhawan, New Delhi



CMA TCA Srinivasa Prasad, President, ICMAI, graced the valedictory session of the CAT Course (under DGR) for Armed Forces personnel, held on 12.12.2025 at SIRC, Chennai, along with CMA (Dr.) V. Murali, Council Member, ICMAI, and Lt. Col. Nitin Kaura, who was the Chief Guest



CMA Manoj Kumar Anand and CMA Chittaranjan Chattopadhyay, Council Members, called on Shri D. Anandan, IAS, Additional Secretary, Dept. of Expenditure, Ministry of Finance and Govt. Nominee Director on the Board of Punjab National Bank, on 12.12.2025 at New Delhi



CMA TCA Srinivasa Prasad, President, ICMAI, participated in the National Finance Seminar organised by NLC India Limited (NLCIL) on 5–6 December 2025 at Neyveli, Tamil Nadu, along with senior finance and other professionals from various organisations including CMA (Dr.) Prasanna Kumar Acharya, DF, NLCIL; CMA G. Ravisankar, DF, PGCIL; CMA Bikram Keshari Das, DF, UCIL; and Shri Surendra Singh Kshatriya, DF, MECL



The Council engaged in a strategic dialogue with IIM-Ahmedabad to advance the Vision 2047 roadmap



The 3rd enlarged and revised edition of “Aide Memoire on Infrastructure Financing” released by Shri C. S. Setty, Chairman, State Bank of India, on 16.12.2025 at Mumbai, in the presence of CMA Chittaranjan Chattopadhyay, Chairman, BFSI Board and CMA (Dr.) K. Ch. A. V. S. N. Murthy, Council Member, ICMAI

CPE programme conducted by EIRC on “Cost Intelligence for She-Entrepreneurs: Enhancing Financial Strength & Sustainable MSME Growth” on 12.12.2025 at Kolkata. Smt. Soma Das Mitra, IPS, DIG-CID, Government of West Bengal was the Chief Guest

Pune Book Festival 2025

The Institute participated in the Pune Book Festival 2025, held from 13 to 21 December 2025, organized by the National Book Trust, India under the Ministry of Education, Government of India, at Fergusson College, Pune. The event provided a prominent platform to showcase the Institute's publications and professional initiatives.

The Institute's stall (F-20) was inaugurated on 13 December 2025 by CMA Neeraj Dhananjay Joshi, Vice President, in the presence of CMA Harshad Deshpande, Chairman, Journal & Publications Committee; CMA Chaitanya Mohrir, Secretary, WIRC; CMA Shrikant Ippalpalli, Chairman, Pune Chapter; and CMA Rahul Chincholkar, Vice Chairman, Pune Chapter.

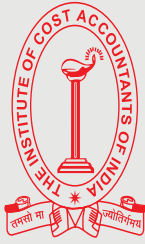
Over the nine-day festival, the stall emerged as a vibrant hub for brand building and creating awareness about the CMA course. It attracted significant interest from students, members from various chapters, academicians, and other visitors.

The initiative effectively promoted the profession, as reflected in meaningful interactions, enquiries related to the CMA course, and the purchase of accounting and professional literature by visiting faculty members.

A notably large number of Institute members and students visited the stall throughout the festival. Their enthusiastic participation, interactions, and active engagement in discussions about the profession added to the overall success of the initiative and reinforced the Institute's strong connect with both aspiring and existing professionals.

Representatives from the Studies, Tax Research, Professional Development, Journal & Publications Departments, along with the Pune Chapter, coordinated the entire event on a regular basis. Their dedicated efforts and seamless coordination played a vital role in making the participation of the Institute at the Pune Book Festival fruitful and successful.





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)

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63rd
NCMAC
2026

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

RISE India

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CMA T.C.A. Srinivasa Prasad
President, ICMAI &
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CMA Neeraj D. Joshi
Vice President, ICMAI &
Chairman - 63rd NCMAC
2026



CMA Manoj Kumar Anand
Council Member, ICMAI &
Convener - 63rd NCMAC
2026



CMA Vijay Kiran Agastya
Chairman, SIRC &
Co-Chairman - 63rd NCMAC
2026



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

WELCOME MESSAGE

It is a matter of great pride for the Institute of Cost Accountants of India (ICMAI) to extend a warm welcome to all esteemed delegates, professional colleagues, corporate leaders, academicians, policymakers, students and distinguished guests to the **63rd National Cost & Management Accountants' Convention (NCMAC) 2026**, being organized from **9th to 11th January 2026** at Merlis Hotel, Coimbatore, Tamil Nadu, on the theme **"RISE India - Reposition India and CMAs, Intensify Growth, Strengthen Competence & Enhance Capabilities."**

The National Convention stands as the most prestigious annual professional event of the Institute, bringing together visionary leaders and experts to deliberate on the evolving role of CMAs in shaping the economic and developmental journey of the nation. As India marches towards the historic milestone of **Viksit Bharat 2047**, the Convention theme underscores the urgent need for the profession to innovate, collaborate and lead with strategic foresight.

At a time when India is accelerating its journey toward becoming a **Viksit Bharat 2047**, it is imperative for our profession to **RISE** by

- **R**epositioning India and CMAs
- **I**ntensifying Growth of the Professions
- **S**trengthening Competencies
- **E**nhancing our capabilities for Manufacturing & Service Leadership

The above four thematic tracks, are thoughtfully designed to unlock new opportunities for CMAs in emerging domains including **AI, Industry 5.0, Sustainability & ESG, Digital Finance, Public Governance and Global Consulting Ecosystems**. The Convention aims to pave the way for strengthened industry engagement, enriched academic research and enhanced global positioning of the CMA profession.

Coimbatore, the industrial powerhouse of Tamil Nadu known for entrepreneurial excellence, textile and engineering leadership and a thriving innovation ecosystem, offers the perfect backdrop for this landmark gathering.

This Convention is a confluence of ideas, innovation and inspiration. With distinguished speakers from government, institutions, industry, academia, and professional bodies, NCMAC 2026 aims to define the direction for

- Cost Competitiveness
- Productivity Improvement
- Sustainability
- ESG adoption
- Digital Innovation

The Convention will feature thought-provoking technical sessions, panel discussions, networking opportunities and knowledge-sharing that will empower participants with future-ready insights and collaborative possibilities.

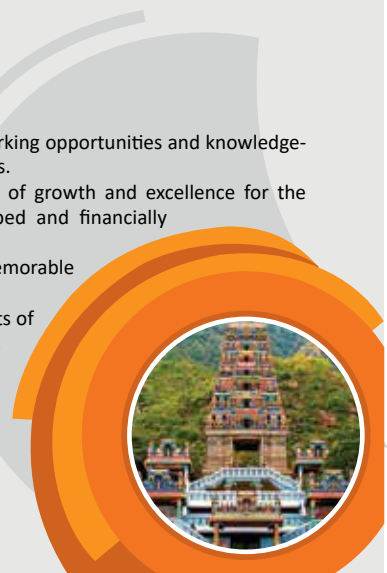
Collective deliberations and shared commitment will undoubtedly inspire new pathways of growth and excellence for the profession and contribute significantly to the nation's vision of a prosperous, developed and financially empowered India.

Warm greetings and best wishes are extended to all participants for an enriching and memorable experience at NCMAC 2026.

Let us come together to use this platform to, learn, collaborate, innovate and rise as catalysts of India's economic leadership. We look forward to your valued presence and active participation.

With Best Regards,

Jai Hind!





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

"RISE India - Reposition India and CMAs, Intensify Growth, Strengthen Competence & Enhance Capabilities"

As India accelerates toward the vision of Viksit Bharat 2047, the role of Cost and Management Accountants (CMAs) is becoming increasingly pivotal. The economic landscape is being reshaped by digital transformation, industrial expansion, sustainability imperatives and an evolving governance ecosystem. Businesses are demanding sharper insights, stronger financial discipline and integrated decision-making frameworks, areas where CMAs bring unmatched expertise.

The 63rd NCMAC 2026 is designed to empower the profession for the next frontier. The central theme "RISE India" reflects a national aspiration and a professional mission:

- **R**epositioning India and CMAs
- **I**ntensifying Growth of the Professions
- **S**trengthening Competence & Capability
- **E**nhancing Capabilities for Manufacturing & Service Leadership

Aligned to this vision, the Convention is structured into four sub-themes that encapsulate the RISE framework.

Track 1: Repositioning India and CMAs

India's march toward 2047 demands a new identity for CMAs, one rooted in thought leadership, policy contribution and global recognition. Repositioning the CMA brand involves articulating the profession's strategic value in shaping economic policy, transforming industries and fostering transparent, efficient and sustainable business ecosystems. Key areas of deliberation include:

- CMA leadership for Viksit Bharat 2047
- Strengthening the CMA identity in policy, industry & international platforms
- Expanding CMA contribution in economic reforms & nation-building
- Greater roles in AI, ESG, sustainability, green finance & emerging sectors

Track 2: Intensifying Growth of the Professions

The next two decades offer unprecedented opportunities for CMAs to occupy leadership roles across consulting, advisory and strategic management. Industrial expansion, digital transformation, supply chain modernization and capital-intensive national programs require expert cost strategists and performance leaders. Focus areas under this track include:

- Rising potential of consultancy, MDP models & global professional firms
- CMAs as strategic partners in MSME, startups & Digital India initiatives
- Enhancing competitiveness through innovation & cost optimisation
- Opportunities in Gati Shakti, PLI schemes & Make in India sectors

Track 3: Strengthening Competence & Capability

As global business ecosystems move toward digital and sustainable models, professional competence must evolve. CMAs are uniquely positioned to integrate financial intelligence with technology, analytics and sustainability frameworks. Key areas include:

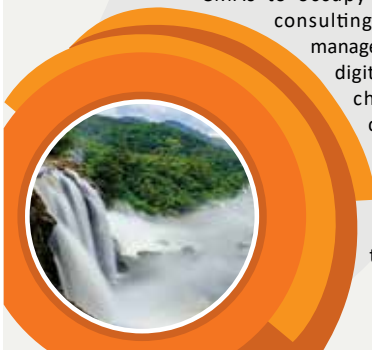
- Digital Transformation through mastering AI, Blockchain, Data Analytics & automation
- CMA leadership in Integrated Reporting, sustainability & climate finance
- Updates on ICAI reforms, CAASB standards & cost audit expansion
- Global benchmarking with leading management accounting bodies

Track 4: Enhancing Capabilities for Manufacturing & Service Leadership

India's ambition to become a global manufacturing and services hub demands advanced costing, operational excellence, and strategic performance tools—areas where CMAs can lead with authority. This track covers critical sectoral capabilities, including:

- Cost leadership in logistics, healthcare, energy, aviation, ports, telecom
- New-age costing for Industry 4.0 & 5.0 and smart manufacturing
- Lean operations, solvent recovery & energy optimisation in process industries
- Strategic costing for IT, BFSI, e-commerce, telecom & service sectors

The 63rd NCMAC 2026 aims to redefine the professional roadmap for CMAs as India progresses toward its centenary of independence. The RISE framework provides a comprehensive blueprint for the profession to elevate its influence, innovate its practices, strengthen its core and expand into new frontiers. By embracing this vision, the CMA professionals stand poised to play a transformative role in shaping RISE India, where financial integrity, operational excellence, strategic foresight and sustainable development form the pillars of national progress.



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Delegate Registration & Payment





SUMMARISED SCHEDULE OF THE 63rd NCMAC 2026

Day 1 - Friday – 9th January 2026

| | |
|--|----------------------|
| Registration | 02:00 pm to 03:00 pm |
| Inaugural Session | 03:00 pm to 04:30 pm |
| Plenary Session: RISE India | 04:45 pm to 06:15 pm |
| Networking, Cultural Evening and Convention Dinner | 06:30 pm onwards |

Day 2 - Saturday – 10th January 2026

| | |
|--|----------------------|
| Registration | 09:30 am to 10.00 am |
| Technical Session I: | |
| Repositioning India and CMAs | 10:00 am to 11:30 am |
| Technical Session II: | |
| Intensifying Growth of the Professions | 11.45 am to 01.15 pm |
| Lunch and Networking | 01:15 pm to 02:15 pm |
| Technical Session III: | |
| Strengthening Competence & Capability | 02.15 pm to 03.45 pm |
| CMA Leaders' Meet: | 04.00 pm to 05:30 pm |
| Networking, Cultural Evening and Convention Dinner | 06:30 pm onwards |

Day 3 - Sunday – 11th January 2026

| | |
|---|----------------------|
| Registration | 09.30 am to 10.00 am |
| Technical Session IV: | |
| Enhancing Capabilities for Manufacturing & Service Leadership | 10:00 am to 11:30 am |
| Valedictory Session: | |
| Recipe of Financial Reporting (Ind AS, BRSR & ESG) | 11:45 am to 01:15 pm |
| Lunch and Networking | 01:30 pm onwards |

MERLIS HOTEL

61, Avinashi Rd, Goldwins
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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 सद्गमय
तमसोमा ज्योतिर्गमय
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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Behind Every Successful Business Decision, there is always a CMA

STRATEGIC ROLE OF CMAs IN RISK MANAGEMENT, COST MANAGEMENT AND INNOVATION IN THE BANKING SECTOR

Abstract

Risk management has become the epitome of assurance and governance in Indian banking, particularly with the Reserve Bank of India's (RBI) shift toward Risk-Based Supervision (RBS) and the mandated adoption of Risk-Based Internal Audit (RBIA). In this evolving environment, Cost and Management Accountants (CMAs) have emerged as strategic partners, contributing far beyond traditional accounting roles. Their expertise in analytics, financial modelling, costing, project evaluation and process optimisation aligns closely with the ever-evolving risk and compliance requirements of the sector. CMAs enhance robustness of RBIA, strengthen credit appraisal process and recovery management, support cybersecurity and IT risk governance and provide analytical insight into digital banking, treasury management, ESG integration and financial inclusion. Their structured methodologies not only add significant value in specialised monitoring of large exposures, due diligence during mergers, acquisitions and restructuring but also in carrying out settlements. This article outlines the multi-dimensional and future-facing contributions of CMAs to risk management, cost discipline, and innovation in the Indian banking system.

Introduction

In today's financial ecosystem, risk management forms the backbone of assurance mechanisms in Indian banks. RBI's Risk-Based Supervision (RBS) framework places emphasis on evaluating governance, risk



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culture and systemic and process vulnerabilities. Complementing this, RBI's mandates on Risk-Based Internal Audit (RBIA) require banks to transition from a checklist-driven audit to a dynamic, risk-prioritised assurance model.

In this context, Cost and Management Accountants (CMAs) have evolved from conventional accounting practitioners to strategic contributors in banking. Equipped with strong foundations in cost management, financial analytics, performance measurement and risk evaluation, CMAs bring deep process insight and financial discipline to banking's operational and strategic decision-making. Their contributions span risk management, prudential controls, digital transformation, sustainability and oversight of large credit exposures.

This article synthesises the strategic role of CMAs across some critical domains shaping the banking sector's future.

1. Strengthening Risk-Based Internal Audits (RBIA)

RBI's RBIA framework requires banks to design audit plans based on dynamic risk assessments across credit, treasury, operational, and IT functions. CMAs provide significant value to this mandate through:

- **Risk Assessment:** CMAs evaluate products,

processes, systems and control designs using cost-effective measures and sensitivity analyses to gauge the strength of the prevailing risk and control framework.

- ⊙ **Strengthened Monitoring:** They analyse portfolio trends, compliance to credit conditions, deviations in disbursements and control breakdowns. Their use of dashboards, KRIs, and scoring models improves audit prioritisation.
- ⊙ **Control Evaluation:** CMAs enhance the depth of audits covering credit, operations, treasury, IT and data quality, particularly referring to high-value loan segments and optimise audit schedules to cover high-risk units first.
- ⊙ **Decision Support:** Their structured reporting enhances quality of insights provided to the Audit Committee and Risk Management Committee.

CMAs elevate RBIA from a procedural inspection into a strategic tool that strengthens governance and risk preparedness.

2. Credit Risk Assessment and Recovery Management

CMAs contribute meaningfully to all stages of credit risk management—from origination to stress resolution:

- ⊙ **Borrower Creditworthiness:** CMAs rigorously analyse financial statements, business cycles, working capital needs, and sector risks using advanced financial ratios and performance metrics.
- ⊙ **Cost Analysis and Pricing:** By analysing cost structures, credit administration costs, capital costs, and potential loan losses, CMAs help refine risk-based pricing models which help to carry-out cost audits and take effective management decisions on product profitability, services and the efficacy of monitoring and controls.
- ⊙ **Risk Quantification:** Techniques such as PD (Probability of Default) and LGD (Loss Given Default) estimation help banks improve provisioning and stress testing accuracy.
- ⊙ **Early Warning Signals:** CMAs review EWS

frameworks and trigger-based monitoring dashboards to track compliance of covenants, operational performance deviations, fund flows, margins, and inventories, red flag indicators as per RBI guidelines,

- ⊙ **Recovery and Resolution:** CMAs use a combination of analytical, forensic, financial and process-based tools to evaluate restructuring proposals, conduct reviews, assess OTS feasibility vis-à-vis valuation of primary and secondary collateral security and examine revival packages with operational and financial realism.

Their blend of financial analytics and operational understanding enables CMAs to assess credit risk more accurately and manage recovery more effectively.

3. Credit Appraisal, Project Financing and Cost-Benefit Analysis

CMAs bring depth and rigour to project financing and appraisal processes. Their contributions include:

- ⊙ **Feasibility Assessment:** CMAs examine project cost structures, revenue assumptions, utilisation forecasts, and product mix to assess financial viability.
- ⊙ **Structuring of Funding:** They help determine the optimal mix of debt and equity, evaluating repayment capacities and stress scenarios.
- ⊙ **Advanced Financial Modelling:** Tools like DSCR, IRR, break-even analysis, and scenario modelling allow for comprehensive project evaluation.
- ⊙ **Credit Support:** CMAs produce structured appraisal notes highlighting financial strengths, risks, and mitigants, directly supporting credit committee decisions.

Their cost-benefit analyses enable selection of the most financially sound lending proposals, reducing sanctioning errors and improving asset quality.

4. Cybersecurity, IT Risk and Financial Controls

As cyber threats escalate, cybersecurity is now viewed as a financial and operational risk. CMAs contribute by:

- ⊙ **Risk Identification:** Evaluating internal controls in digital transactions, IT general controls, and access rights to identify vulnerabilities.
- ⊙ **Quantifying Cyber Exposure:** CMAs assess the financial impact of cyber incidents and support decisions on cyber insurance, control investments, and escalation frameworks.
- ⊙ **Fraud Detection and Compliance:** Their data analytics skills support fraud-risk monitoring and compliance with RBI's IT and cyber governance guidelines.
- ⊙ **Strengthening Governance:** CMAs help integrate cybersecurity into overall risk management frameworks by linking financial consequences with technology controls.

CMAs help bridge the gap between IT security, operations and financial oversight, improving resilience.

5. Digital Banking and FinTech Integration

Digital transformation requires banks to redesign financial controls, costing frameworks, and risk models. CMAs play an important role in ensuring digital initiatives are both financially viable and well-governed:

- ⊙ **Strategic Cost Management:** Using activity-based costing and variance analysis, CMAs optimise costs related to digital channels, fintech partnerships, and customer acquisition.
- ⊙ **Profitability Analysis:** They assess the performance of digital products such as BNPL, digital lending, wallets, and API-driven services.
- ⊙ **Risk and Performance Evaluation:** CMAs design KPIs and KRIs for digital KYC, algorithmic lending, outsourcing risks, and data governance.
- ⊙ **Business Case Development:** They support digital innovation teams by modelling business cases and explaining financial implications of new technologies as well as major internal projects for Banks viz. Core Banking System (CBS) migration, adoption of new risk models and systems, new product development, etc.

CMAs ensure digital expansion remains

sustainable, profitable, and risk-aligned.

6. Treasury Operations and Foreign Exchange Risk Management

CMAs strengthen treasury governance and support ALM, market risk, and forex risk management through:

- ⊙ **Performance Measurement:** Independent evaluation of investment classification, valuation processes, and trading strategies.
- ⊙ **Liquidity and ALM Management:** Assessing interest rate sensitivities, liquidity mismatches, and hedging strategies to improve ALM monitoring.
- ⊙ **Compliance:** Ensuring adherence to RBI and FEMA limits on forex exposures, derivatives, and investment operations.
- ⊙ **Risk Assessment:** Enhancing pricing models, market risk controls, and stress-test frameworks.

CMAs expertise in financial modelling enhances treasury transparency and strategic risk governance.

7. Sustainability, ESG and Long-Term Value Management

Banks are increasingly incorporating ESG considerations into strategy and risk assessment. CMAs contribute through:

- ⊙ **Strategic Planning:** Aligning ESG metrics with business strategy, designing KPIs to measure sustainability performance.
- ⊙ **ESG Risk Assessment:** Evaluating ESG-related risks in lending decisions and corporate operations.
- ⊙ **Cost Management:** Using tools like Material Flow Cost Accounting (MFCA) to analyse resource efficiency, waste reduction, and cost-benefit of green projects.
- ⊙ **Governance and Reporting:** Supporting sustainability disclosures, climate-risk reporting, and green-bond frameworks.
- ⊙ **Regulatory Compliance:** Integrating ESG into enterprise risk management and ensuring compliance with evolving reporting standards.

CMAs help banks translate ESG objectives into

measurable financial outcomes, supporting long-term value creation.

8. Agency for Specialised Monitoring (ASM) of Large Borrower Accounts

For large exposures, CMAs are frequently empanelled as ASMs due to their analytical capabilities:

- ⊙ **Risk Identification:** Detecting diversion of funds, stock discrepancies, cost overruns, covenant breaches, and operational inefficiencies.
- ⊙ **Monitoring and Reporting:** Preparing structured, periodic reports for consortium banks to ensure ongoing visibility and risk mitigation.
- ⊙ **Data Integrity:** Providing accurate cost-related data for assessing exposure values, including off-balance sheet exposures.

CMAs enhance transparency and accountability in monitoring large, interconnected borrower groups, safeguarding systemic stability.

9. Due Diligence, Valuation, Mergers, Acquisitions and Restructuring

CMAs are valuable contributors to consolidation and restructuring efforts in the banking sector:

- ⊙ **Financial and Operational Due Diligence:** Identifying non-compliance, inefficiencies, asset quality issues, and hidden liabilities.
- ⊙ **Valuation:** Assessing loan books, subsidiaries, intangible assets, and NPA provisioning adequacy.
- ⊙ **Strategic Evaluation:** Analysing synergy potential, cost savings, integration risks, and financial feasibility of restructuring.

CMAs analytical rigour complements investment bankers and consultants, improving decision quality in transformative transactions.

10. Evaluating Cost Efficiency of Financial Inclusion Schemes

Financial inclusion initiatives must balance outreach with financial sustainability. CMAs support this through:

- ⊙ **Cost-to-Serve Analysis:** Evaluating costs

of serving rural and underserved regions to ensure long-term viability.

- ⊙ **Operational Efficiency:** Reviewing BC/BF models, micro-branches, and digital inclusion channels for leakage and inefficiency.
- ⊙ **Decision Support:** Analysing subsidy utilisation, DBT mechanisms, and proposing optimisation measures.

CMAs help banks achieve inclusion goals while maintaining cost efficiency and performance discipline.

11. Usage of Operations Research Tools

CMAs use Operations Research (OR) tools viz. PERT, CPM and crashing to improve banking systems and processes. These tools allow CMAs to:

- ⊙ **Build efficient workflows:** Process crashing helps to reduce operational and settlement risk and assists in deal settlements, nostro reconciliations and processing of treasury deals.
- ⊙ **Reduce operational bottlenecks:** CPM identifies delays in 'Aadhaar' authentication, sponsor bank credit or BC reconciliation; PERT helps model the end-to-end flow of benefit transfer; Crashing helps reduce TAT during mass campaigns (KYC updation, account opening drives)
- ⊙ **Enhance customer experience:** Speeding up onboarding during peak demand and accelerate the credit appraisal process during time-bound corporate lending
- ⊙ **Improve compliance and regulatory timelines:** Human errors, process gaps, system delays and downtimes are a common theme nowadays. CMAs use OR tools to estimate the probability of process delays contributing to operational loss and use the same for process re-engineering to reduce non-critical steps and also implement business continuity and resilience planning.

In an industry increasingly driven by process optimisation, automation and risk-focused supervision, OR tools provide CMAs with a strong analytical advantage to drive measurable improvements in the banking sector.

12. Legal and resolution pathway assessment

CMAAs are often seen in the company with legal teams to help determine the most financially optimal legal route which would be a win-win situation and help resolve an issue amicably viz.

- ⊙ **SARFAESI feasibility and time analysis:** The SARFAESI Act empowers Banks to proceed (in DRT) with the recovery without court intervention provided certain criteria are fulfilled. CMAAs help to ensure its feasibility in co-ordination with legal and compliance team of the Bank.
- ⊙ **IBC process and readiness checklist:** The intent of Corporate Insolvency Resolution Process (CIRP) is to resolve financial distress through a restructuring plan instead of liquidation. CMAAs in conjunction with Business, Legal and Credit teams to formulate a viable strategy with Borrower to discuss feasibility of moratorium and other options / additional collaterals, structuring / escrowing future cash flows to resolve the issue.
- ⊙ **Wilful defaulter evaluation framework:** CMAAs often need to validate Borrower's default with RBI's circulars on wilful default category to comply with RBI classification. The core principle to abide is whether the

default was intentional, deliberate and calculated and not the result of genuine business failure.

Conclusion

Today's risk management focuses on proactive, integrated Enterprise Risk Management (ERM) approach to confront the complexity, speed and interconnectedness of risk e.g. cyber, geo-political, supply-chain, etc. This requires a transformation from static, siloed risk register approach to a dynamic and continuous monitoring approach leveraging real-time data analytics along-with co-ordination from other stakeholders.

As RBI continues to escalate expectations around risk management, governance, and sustainability, the role of CMAAs will become even more pivotal in shaping the next phase of India's banking evolution. They are expected to play a transformative role in the Indian banking sector by strengthening risk management frameworks, enhancing cost governance, supporting digital innovation, and contributing to strategic decision-making. Their unique blend of financial analytics, operational insight, costing expertise, and risk assessment makes them essential partners in building a resilient, competitive, and future-ready banking system. **IMA**

NOTES FOR AUTHORS

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CMA's ROLE IN CREDIT APPRAISAL, PROJECT FINANCING, AND COST BENEFIT ANALYSIS

Abstract

Cost and Management Accountants (CMAs) play a pivotal role in strengthening the credit appraisal ecosystem by providing scientific costing analysis, operational insights, and financial-cost integration for lending institutions. Their expertise is particularly valuable in evaluating the borrower's cost structure, product-wise profitability, working capital efficiency, and cash-flow sustainability—areas often overlooked in traditional financial appraisals. As banks increasingly rely on data-driven assessments, the technical competence of CMAs helps identify hidden inefficiencies in manufacturing and service industries through tools such as marginal costing, activity-based costing, cost-volume-profit (CVP) analysis, capacity utilization studies, and variance analysis. This article highlights how CMAs contribute to assessing credit risk more accurately by evaluating viability, sensitivity, production costs, and break-even dynamics. Real-world examples demonstrate how costing insights can reveal risks missed by financial statements alone. By integrating technical costing expertise with financial analytics, CMAs ensure more reliable lending decisions and enhance credit discipline in the economy.

Introduction

Credit appraisal is central to responsible lending, requiring banks to judge a borrower's ability to generate stable cash flows. Financial statements offer a broad view but often miss internal cost inefficiencies, flawed pricing, and product-level losses.



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Cost and Management Accountants (CMAs) bridge this gap. Their expertise in cost records, working capital, and operational analysis provides a scientific evaluation of business viability. In sectors where input prices, labour usage, and overhead absorption frequently fluctuate, CMA-driven cost audits and analyses become essential tools for accurate credit risk assessment.

Why CMAs Are Critical in Credit Appraisal

Banks traditionally assess creditworthiness through financial ratios, cash flows, collateral strength, market reputation, and repayment history. Yet these measures often overlook operational inefficiencies. A business may show profits while under-absorbing overheads, misallocating fixed costs, or overvaluing inventory, all of which distort real margins, inflate working capital needs, and weaken long-term repayment ability.

CMAs bridge this critical gap by delivering a deeper operational perspective by:

1. Ensuring accurate product costing
2. Assessment of idle capacity and its

impact

3. **Verification of overhead absorption**
4. **Working capital cycle analysis**
5. **Risk assessment based on Cost audit**
6. **Sensitivity and break-even analysis**

By integrating these insights, CMAs serve as both **risk mitigators for banks** and **performance-enhancing advisors for borrowers**, strengthening credit decisions and improving business sustainability.

Key Costing Functions Performed by CMAs in Credit Appraisal

1. Product-Wise Cost Sheet Evaluation

Banks typically assess performance at an entity level, whereas CMAs examine **product-level cost behaviour**, reviewing:

- ⊙ Material cost Trends
- ⊙ Labour cost - standard vs. actual
- ⊙ Overhead classification and distribution
- ⊙ Department-wise cost allocation
- ⊙ Selling and distribution cost review

Technical Illustration

A textile unit applies overhead at ₹50 per machine hour. When maintenance downtime reduces machine hours but fixed overheads remain unchanged, unit costs become understated and profitability appears inflated. A CMA quickly highlights this under-absorption and its effect on margins.

CMAs uncover true cost pressures and margin erosion, enabling banks to identify early operational stress and assess borrower health more accurately.

2. Marginal Costing and Pricing Viability

Marginal costing gives banks a clearer view of pricing strength and cost-volume behaviour—areas that traditional financial statements often blur. By separating variable and fixed costs, CMAs help evaluate:

- ⊙ Minimum viable selling price
- ⊙ Contribution margin adequacy
- ⊙ Ability to withstand price cuts or volume drops
- ⊙ Profit sensitivity to output changes

Technical Illustration

- ⊙ Contribution per unit: ₹40
- ⊙ Fixed costs: ₹6,00,000
- ⊙ Break-even volume: 15,000 units

At 12,000 units, the firm is below break-even, indicating viability stress even if accounts show short-term profit due to inventory or timing effects.

A CMA-led marginal costing review separates fixed and variable costs, helping banks evaluate pricing sustainability, volume adequacy for debt servicing, and exposure to market fluctuations, thereby improving credit appraisal and early risk detection.

3. Activity-Based Costing (ABC) for Modern Credit Appraisal

Activity-Based Costing (ABC) is vital when businesses manage multiple products or processes. Unlike traditional costing, which allocates overheads using broad bases like labour or machine hours, ABC assigns costs according to the actual activities each product consumes. This gives banks a clearer view of true product-level profitability.

Technical Illustration

A borrower's "high-value" product appears profitable under traditional costing. ABC reallocates setup time, specialised machining, and inspection effort to this product, revealing thin or negative margins.

For lenders, this exposes margin risk, cross-subsidisation, and cash-flow strain, allowing CMAs to flag hidden vulnerabilities and support more accurate credit decisions.

4. Standard Costing and Variance Analysis

Standard costing and variance analysis give lenders early warnings that traditional financial statements may miss. Variances reveal gaps between planned and actual performance, allowing banks to pinpoint operational stress quickly.

Key indicators include:

- ⊙ **Material variances** – signalling procurement issues, price pressures, quality problems, or pilferage
- ⊙ **Labour variances** – reflecting idle time, overtime misuse, or productivity shortfalls
- ⊙ **Overhead variances** – indicating excess capacity or poor cost control
- ⊙ **Sales variances** – revealing demand weakness, pricing pressure, or customer concentration risks

Illustrative Case

A company budgets material at ₹100/kg but procures at ₹130/kg, creating a ₹30 adverse price variance. Further review shows reliance on a single supplier, distorting cost forecasts and heightening supply-chain risk.

Such variance insights enable CMAs to highlight procurement weaknesses and operational vulnerabilities that financial ratios cannot capture, supporting more reliable credit assessment.

5. Cost of Idle Capacity and Loan Viability

Idle capacity is one of the most critical yet overlooked determinants of a borrower's repayment ability. Under-utilisation directly inflates fixed overheads per unit, weakens margins, and ultimately reduces the DSCR (Debt Service Coverage Ratio).

Illustration

- ⊙ Installed capacity: 10,000 units/month
- ⊙ Actual output: 6,000 units

- ⊙ Idle capacity: 40%

Under-utilisation raises overhead per unit and compresses operating cash flows, weakening debt-servicing capacity.

CMAs quantify idle-capacity cost using machine-hour analysis and overhead variances, helping banks distinguish structural inefficiency from temporary demand issues and improving credit judgement.

6. Working Capital Assessment Using CMA Data

Banks rely extensively on the CMA Report (Forms I–VII) for working capital appraisal, making its accuracy crucial. A CMA ensures that financial data reflects true operational and cost conditions, not just accounting figures.

A CMA-led review provides:

- ⊙ Proper classification of current assets and liabilities
- ⊙ Realistic inventory valuation
- ⊙ Accurate receivables ageing
- ⊙ Creditor periods in line with industry norms
- ⊙ Sales projections based on actual capacity
- ⊙ Cash flows tied to cost and production structure
- ⊙ A working capital cycle that mirrors real operations

Banks increasingly prefer CMA-prepared statements due to their **integrity, cost-focus, and alignment with actual business operations**, improving both sanction quality and post-sanction monitoring.

Cost Audit Insights Useful for Banks

Cost audit under Section 148 of the Companies Act provides powerful data points:

- ⊙ Quantitative records
- ⊙ Input-output ratio

- ⊙ Energy consumption pattern
- ⊙ Labour utilisation ratio
- ⊙ Stock reconciliation
- ⊙ Abnormal loss costing
- ⊙ Margin analysis
- ⊙ Utility cost behaviour

For instance, abnormal wastage of raw materials or low yield indicates rising working capital requirements and pressure on cash flows. When banks recognise such inefficiencies early, they can better judge the borrower's true liquidity position.

CMAs and Credit Risk Mitigation through Cost Insights

1. Identifying Over-Trading

When sales rise but contribution falls, the business is pushing volume without earning more. CMA helps banks flag such over-trading before lending.

2. Detecting Inventory Overvaluation

Borrowers may overstate WIP, finished goods or slow-moving stock. Using proper costing (FIFO/LIFO/Weighted Avg + absorption), CMA uncovers inflated inventory values.

3. Incorrect Product Pricing

Many businesses sell at a loss but report profits due to wrong overhead absorption.

Example: Actual cost ₹120, selling price ₹115 → ₹5/unit loss. CMA reveals the true cost and loss.

4. Cash-Flow & Cost Linkage

CMA reviews the conversion cycle, inventory liquidity, cost-driven cash usage and payment terms, giving banks more realistic cash-flow projections.

CMAs in Project Finance Credit Appraisal

Project finance demands precise costing of machinery, utilities, labour, raw materials, manufacturing processes, capacity utilisation, cost-benefit ratios, DSCR, and sensitivity checks.

CMAs support this by preparing:

- ⊙ **Detailed Project Reports (DPRs)**
- ⊙ **Sensitivity analysis ($\pm 10\%$ price/volume change)**
- ⊙ **Break-even capacity**
- ⊙ **Cost of production and profitability statements**
- ⊙ **Feasibility studies**

Advanced Costing Tools for Credit Appraisal

1. Throughput Accounting

Identifies production bottlenecks, helping banks assess whether the borrower can actually scale output after receiving funds.

2. Target Costing

Example: Market price ₹500, profit target ₹50 → target cost ₹450.

If actual cost is ₹480, the gap signals higher financing risk unless a credible cost-reduction plan exists.

3. Life Cycle Costing

Crucial for solar, machinery, and infrastructure projects.

Banks must factor in long-term operating and maintenance costs to judge sustainability of cash flows and repayment capacity.

Sector-Specific Costing Inputs by CMAs

1. Manufacturing Sector

- ⊙ Material yield analysis
- ⊙ Energy cost mapping
- ⊙ Scrap ratio computation
- ⊙ Batch costing
- ⊙ Job costing
- ⊙ Capital intensity vs output

2. Service Sector

- ⊙ Employee cost per service unit
- ⊙ Overhead absorption per job

- ⊙ Capacity utilisation
- ⊙ Customer profitability

3. Construction Sector

- ⊙ Contract costing
- ⊙ Escalation clauses
- ⊙ Cost overrun analysis

CMA's Supporting Role in Bank Monitoring

After loan sanction, CMAs assist in:

- ⊙ Stock audits
- ⊙ Concurrent audits
- ⊙ TEV studies
- ⊙ Forensic costing
- ⊙ Monitoring end-use of funds
- ⊙ Checking diversion of funds

Cost audits often uncover manipulation in:

- ⊙ Inventory
- ⊙ Production records
- ⊙ Power consumption
- ⊙ Capacity claims

These findings help banks prevent NPAs.

Case Study: Thabet, D. A. (no date) "Management Accounting Systems, Credit Risk Management Practices and Organizational Performance at Commercial Banking Sector in Palestine."

Evidence from the Palestinian banking study shows that strong management-accounting systems enhance credit-risk assessment. Similarly, CMA-led reviews of cost data—such as variance analysis, overhead absorption, utilisation gaps, and contribution diagnostics—provide lenders clearer visibility of operational efficiency and cash-flow risk, enabling more precise credit decisions, including revised limits, tighter terms, or altered lending outcomes.

Conclusion

CMAs are indispensable to the financial

ecosystem due to their analytical rigor, cost mastery, and statutory relevance. Their involvement in credit appraisal enhances lender confidence through robust risk evaluation and compliance verification. In project financing, they ensure that project assumptions, cash flows, and risk assessments reflect economic realities, supporting sustainable financing decisions. In cost-benefit analysis, they quantify economic and social value with scientific accuracy, enabling optimal capital allocation. With increasing regulatory complexity and growing emphasis on economic efficiency, CMAs will continue to play a pivotal role in shaping India's financial and developmental landscape. **MA**

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Congratulations!!!



CMA Rajeev Mehrotra

Our heartiest congratulations to CMA Rajeev Mehrotra, Member of the Institute, who has been appointed by Supreme Court in the three-member committee headed by former Chief Justice of Jammu and Kashmir High Court Justice, M M Kumar to oversee the Corporate Insolvency Resolution Process (CIRP) of Realty Major Supertech Realtors Pvt. Ltd. The committee will also comprise former National Buildings Construction Corporation (NBCC) Chief Managing Director Anoop Kumar Mittal. The top court asked the Committee “to appoint a reputed and experienced entity to conduct a forensic audit of the accounts of the Corporate Debtor (Supertech Realtors Pvt. Ltd) and its parent company”.

CMA Rajeev Mehrotra is Former Chairman and Managing Director of RITES Ltd. (2012-2021). He was responsible for overall corporate performance management, matters of policies and business strategy, internal controls, listing and company law matters, investors relations, Legal and taxation matters of projects in India and abroad, audit and compliances etc. He served as Member Technical with NCLT at Jaipur bench during July 23 to Sept.24, during which several complex matters on IBC and company law were handled. He also served as Director Finance of RITES Limited during 2007-2012 with the same company and received advanced training in Financial Management of power utilities from Samford University in USA, attended programme on Investment Appraisal and Risk Management from Harvard Institute for International Development, USA and Advance management Program on Global leadership from IMI in New Delhi and ESCP Paris. He was conferred with “ICON OF THE YEAR AWARD” by the Institute of Cost Accountants of India in March 2012.

We wish CMA Rajeev Mehrotra the very best for all his future endeavours.

ROLE OF COST AND MANAGEMENT ACCOUNTANTS (CMAs)

(Proposed Expected Credit Loss (ECL) Framework in Indian Banks)

Abstract

The implementation of Expected Credit Loss (ECL) provisioning represents a paradigm shift in credit risk measurement for Indian financial institutions. Unlike the incurred loss model, ECL requires forward-looking assessment of credit deterioration across the life of a loan. With the proposed implementation of Expected Credit Loss (ECL) norms from 1 April 2027, financial institutions are required to adopt a forward-looking impairment framework for all financial assets.

The Reserve Bank of India has introduced a forward-looking Expected Credit Loss (ECL) provisioning framework for scheduled commercial banks, which will replace the existing incurred loss provisioning model. This new approach requires banks to make provisions based on anticipated losses over the entire life of financial assets. The framework will take effect from April 1, 2027, with a transition period extending until March 31, 2031, to ease the adjustment process.

Under the ECL framework, banks will categorize financial assets into three stages according to credit risk and predict expected losses using probability models. These models incorporate macroeconomic scenarios and statistical factors such as:

- ⊙ Probability of Default (PD).
- ⊙ Loss Given Default (LGD) and
- ⊙ Exposure at Default (EAD).

This framework significantly improves credit



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risk measurement, governance, and disclosure, creating opportunities for professionals with strong financial, analytical, and auditing expertise. Cost and Management Accountants (CMAs) are particularly well-suited to contribute in this area.

Alignment of CMA Curriculum and Skills with ECL Requirements:

The Cost and Management Accountant (India) Qualification, offered by the Institute of Cost Accountants of India (ICMAI), equips professionals with a comprehensive set of financial, analytical, auditing, and risk assessment skills that closely match the competencies needed for ECL implementation.

Key CMA Subjects and Skills Relevant to ECL:

- ⊙ **Management Accounting and Financial Management:** Offers in-depth knowledge of planning, budgeting, forecasting, variance analysis, and decision-making techniques essential for estimating forward-looking credit risk and provisioning.
- ⊙ **Cost and Management Audit:** Covers principles of cost audit, internal controls,

risk reporting, operational and forensic audits, which enhance governance and assurance frameworks, strengthening banks' credit risk models and data quality for ECL.

- ⊙ **Corporate Accounting and Auditing:** Develops understanding of financial reporting, audit procedures, and compliance, which are critical for validating provisioning results and disclosures under the ECL framework.
- ⊙ **Risk Management and Business Data Analytics:** Elective courses like Risk Management in Banking and Insurance and Business Data Analytics provide analytical tools and scenario analysis skills vital for validating ECL models and conducting stress tests.
- ⊙ **Business Laws, Ethics & Corporate Law:** Provides a solid legal foundation, enabling CMAs to interpret regulatory requirements and compliance obligations under RBI guidelines.

These skills enable CMAs to excel in financial forecasting, risk measurement, internal control assessment, audit and compliance reviews, and data-driven advisory roles, all of which are central to implementing the ECL framework.

Roles of CMAs in Banks' ECL Implementation:

a) Support in ECL Model Design and Validation:

With their knowledge of statistical forecasting and modelling gained through financial management and analytics courses, CMAs are well-positioned to assist banks in:

- ⊙ Designing credit risk models that incorporate forward-looking macroeconomic factors;
- ⊙ Assessing model assumptions, segmentation methods, data governance, and quality controls;
- ⊙ Validating PD, LGD, and EAD parameters along with stress testing scenarios to

ensure model robustness and regulatory compliance.

Their analytical expertise contributes to improved risk sensitivity and consistency in provision estimates across portfolios, aligning with the RBI's emphasis on enhanced credit risk management.

b) Governance, Assurance & Internal Controls:

The Expected Credit Loss (ECL) framework demands strong governance and control mechanisms concerning data, models, and reporting. Cost and Management Accountants (CMAs) can:

- ⊙ Assess internal controls related to credit data, provisioning methods, and reporting procedures;
- ⊙ Perform internal audits on ECL provisioning calculations and classification methods;
- ⊙ Recommend corrective measures to improve processes and address control deficiencies.

The skills of CMAs in cost and management auditing are directly applicable to reviewing credit risk functions, control environments, and compliance with model risk management standards.

c) Financial Reporting, Disclosure & Compliance:

ECL provisioning impacts a bank's financial statements and disclosures. CMAs' expertise in cost and financial accounting allows them to:

- ⊙ Convert complex ECL results into precise financial disclosures;
- ⊙ Ensure that provisioning accurately reflects economic conditions while adhering to RBI guidelines and applicable accounting standards;
- ⊙ Coordinate with statutory auditors and regulatory bodies regarding provisioning policies and methodologies.

Their background in accounting, auditing, and corporate law supports clear and defensible reporting practices.

d) Strategic Advisory for Credit Risk Mitigation:

With their skills in management accounting and strategic cost analysis, CMAs can offer senior management and boards valuable insights on:

- ⊙ Trends in portfolio risk and the strategic effects of provisioning;
- ⊙ Cost-benefit evaluations of credit risk mitigation approaches;
- ⊙ The broader economic impacts on loan loss provisioning and capital adequacy planning.

These insights help develop robust credit strategies under the new ECL framework.

CMAs as Statutory Cost Auditors-Additional Roles Under the Companies Act, 2013:

Apart from their role in ECL implementation within banks, practicing CMAs are authorized to conduct Cost Audits under the Companies Act, 2013, and related Cost Records and Audit Rules. Only qualified Cost Accountants, i.e., members of ICMAI, can be appointed as cost auditors to examine and report on companies' cost records.

Although banks and financial institutions are generally **exempt from** cost audit requirements due to their regulated status and separate audit systems, CMAs' expertise in cost audits enhances their capability to:

- ⊙ Audit and evaluate cost structures, internal cost controls, and operational efficiency;
- ⊙ Provide assurance on costing procedures, cost allocations, and performance indicators relevant to credit risk and provisioning;
- ⊙ Advise non-banking companies indirectly affected by ECL-related credit conditions (such as corporate borrowers) on cost optimization and risk management.

Their statutory authority to perform cost audits reinforces their broader role as trusted assurance

professionals within India's financial sector.

Practical Examples: Role of CMAs in Implementing Expected Credit Loss (ECL) in Indian Banks:

Example 1: Portfolio Segmentation for ECL Based on Cost and Risk Factors.

Context: A public sector bank holds a ₹ 25,000 crore MSME loan portfolio. For ECL purposes, loans need to be grouped into homogeneous risk categories.

Role of CMA: A CMA in the Credit Risk Department uses cost accounting and management analysis techniques to:

- ⊙ Segment MSME loans according to:
 - ▲ Industry-specific cost structures (manufacturing, trading, services).
 - ▲ The proportion of fixed versus variable costs.
 - ▲ Operating leverage and breakeven points.
- ⊙ Identify borrowers with limited cost flexibility, making them more susceptible during economic downturns.

Outcome:

- ⊙ More detailed ECL staging (distinguishing between Stage 1 and Stage 2 migrations).
- ⊙ Enhanced accuracy in estimating Probability of Default (PD).
- ⊙ Risk differentiation compliant with RBI guidelines.

CMA Skills Applied: Management Accounting | Cost Analysis | Strategic Cost Management

Example 2: Estimating Probability of Default (PD) Using Cost Behaviour Analysis.

Context: The bank needs to estimate the 12-month PD for a mid-sized manufacturing borrower.

Role of CMA: The CMA examines:

- ⊙ Historical cost statements provided by the borrower.

- ⊙ Contribution margins and breakeven analysis.
- ⊙ Profit sensitivity to fluctuations in input prices (such as steel, power, and fuel).

By applying Cost-Volume-Profit (CVP) analysis, the CMA determines:

- ⊙ The level of revenue decline at which the borrower starts incurring cash losses.
- ⊙ The likelihood of default under stressed macroeconomic scenarios.

Outcome:

- ⊙ PD estimates grounded in actual operating economics.
- ⊙ Reduced dependence on purely statistical credit scoring models.

CMA Skills Applied: Cost Accounting | Financial Management | Business Analytics

Example 3: Estimating Loss Given Default (LGD) Using Cost Audit Methods.

Context: The bank must calculate LGD for a term loan secured by plant and machinery.

Role of CMA: Leveraging experience in Cost Audit and Valuation, the CMA:

- ⊙ Reviews capacity utilization and idle capacity.
- ⊙ Evaluates the recoverable value of machinery considering:
 - ▲ Replacement cost.
 - ▲ Remaining useful life.
 - ▲ Historical maintenance expenses.
- ⊙ Adjusts LGD estimates to account for high dismantling and transportation costs.

Outcome:

- ⊙ More accurate LGD figures rather than inflated collateral valuations.
- ⊙ Lower supervisory risk during RBI inspections.

CMA Skills Applied: Cost Audit | Valuation |

Capital Cost Analysis

Example 4: Computing ECL for Agricultural Loans (Kisan Credit Card and Crop Loans).

Context: Agricultural Non-Performing Assets (NPAs) follow special recognition norms, making ECL calculation complex.

Role of CMA: A Cost and Management Accountant:

- ⊙ Separates crop-wise cultivation cost data.
- ⊙ Analyses:
 - ▲ Input costs such as fertilizers, labour, and irrigation.
 - ▲ Minimum Support Price (MSP) versus actual market price realization.
- ⊙ Helps estimate expected shortfall rather than relying solely on overdue status.

Outcome:

- ⊙ ECL provisions that reflect actual economic loss instead of mechanical overdue criteria.
- ⊙ Compliance with RBI's forward-looking regulatory approach.

CMA Skills Applied: Cost Accounting | Applied Economics | Risk Management.

Example 5: Stage-2 Identification Using Early Warning Cost Signals.

Context: Under the Expected Credit Loss (ECL) framework, banks are required to detect Significant Increases in Credit Risk (SICR).

Role of the CMA: The Cost and Management Accountant (CMA) develop cost-based Early Warning Indicators (EWIs), including:

- ⊙ Increasing employee costs as a percentage of sales.
- ⊙ Decreasing contribution margins.
- ⊙ Rising finance cost absorption ratios.

These EWIs are incorporated into the bank's credit monitoring system.

Outcome:

- ⊙ Early transition to Stage-2 classification.
- ⊙ Proactive provisioning to avoid shocks after defaults.

Relevant CMA Subjects: Performance Management | Management Information Systems & Control Systems.

Example 6: Validation of ECL Models-CMA as Internal Risk Auditor.

Context: The Reserve Bank of India (RBI) mandates robust model governance and validation.

Role of the CMA: Acting within Internal Audit or Risk Assurance functions:

- ⊙ Reviews the assumptions used in ECL models.
- ⊙ Ensures consistency among:
 - ▲ Cost data.
 - ▲ Cash flow forecasts, and
 - ▲ Credit risk parameters.
- ⊙ Verifies audit trails and documentation.

Outcome:

- ⊙ Reduced risk associated with models.
- ⊙ Strong defense during RBI supervisory reviews.

Relevant CMA Subjects: Cost & Management Audit | Internal Audit | Corporate Governance.

Example 7: ECL Impact on Profitability & Capital Planning.

Context: ECL provisioning has a significant effect on profit and loss statements and capital adequacy.

Role of the CMA:

- ⊙ Develops scenario-based forecasts for provisioning.
- ⊙ Evaluates impacts on:
 - ▲ Return on Assets (ROA), Return on Equity (ROE).

- ▲ Capital buffers, and
- ▲ Profitability of business lines.

- ⊙ Advises management on repricing strategies and portfolio rebalancing.

Outcome:

- ⊙ Informed strategic decision-making supported by cost-risk analysis.
- ⊙ Improved alignment between credit growth and capital planning.

Relevant CMA Subjects: Strategic Financial Management | Budgeting & Forecasting.

Example 8: CMA Support During Statutory and RBI Inspections.

Context: Banks must justify their ECL assumptions during RBI inspections.

Role of the CMA:

- ⊙ Provides documentation linking borrowers' cost structures to ECL estimates.
- ⊙ Explains provision variances using operational economics.
- ⊙ Supports statutory auditors and audit committees.

Outcome:

- ⊙ Quicker completion of inspections.
- ⊙ Fewer supervisory observations.

Relevant CMA Subjects: Audit & Assurance | Corporate Laws | Ethics.

Example 9: Advisory Role for Corporate Borrowers (Indirect Impact).

Context: Higher ECL requirements prompt banks to demand greater financial transparency from borrowers.

Role of the CMA (in practice):

- ⊙ Assists corporate clients in enhancing cost efficiency.
- ⊙ Prepares cost-based projections acceptable to banks.
- ⊙ Lowers borrower risk perception, leading

to reduced Probability of Default (PD) and lower ECL.

Outcome:

- ⊙ Beneficial outcomes for both banks and borrowers.
- ⊙ Strengthened credit ecosystem.

Conclusion:

The RBI's implementation of the Expected Credit Loss (ECL) provisioning framework represents a fundamental change in how Indian banks manage credit risk, requiring a combination of forward-looking analysis, model oversight, rigorous auditing, and financial reporting skills. The ECL framework goes beyond being just an accounting adjustment; it signifies a transformation in risk management, economics, and governance.

Cost and Management Accountants (CMAs), with their distinctive expertise in cost analysis, auditing, forecasting, and statutory authority, are well-equipped to:

- ⊙ Connect credit risk models with actual business economics.
- ⊙ Enhance governance, assurance, and transparency.
- ⊙ Help Indian banks effectively and credibly comply with the RBI's ECL requirements.

Starting from April 1, 2027, CMAs will move from being peripheral participants to becoming

central drivers of resilient and forward-thinking banking. Their comprehensive training, analytical skills, and statutory audit responsibilities, CMAs are uniquely qualified to assist Indian commercial banks in:

- ⊙ Developing, evaluating, and validating ECL models.
- ⊙ Strengthening internal controls and governance related to provisioning.
- ⊙ Ensuring accurate provisioning disclosures and regulatory compliance.
- ⊙ Providing strategic advice in response to changing credit risk conditions.

Amid a changing regulatory landscape, the CMA profession is set to play a vital role in fostering robust and transparent credit risk management practices within Indian Banking and beyond. **MA**

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Obituary



The Institute and its members deeply mourn the demise of CMA Mohan Lal Lahiry, our Beloved Member of the Institute on December 7, 2025 at Kolkata.

May God bless the family to have the courage and strength to overcome the irreparable loss.

CMA Mohan Lal Lahiry

QUANTIFYING THE GREENWASHING RISK PREMIUM: AN EMPIRICAL STUDY ON GLOBAL SUSTAINABLE FUNDS

Abstract

Sustainable investing is booming worldwide but growing concerns about greenwashing threaten to undermine its credibility. This study measures the ‘Greenwashing Risk Premium’ through a Greenwashing Suspect Index (GSI) based on ESG downgrades, controversies and disclosure discrepancies. Using 500 funds (2020–2025) in panel regressions, we anticipate that the higher the GSI score, the higher should be excess returns. The results provide investors, regulators and asset managers with an empirically based map to assess, price and manage greenwashing risk.



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Introduction

Background

ESG investing has come a long way in the past decade, transforming from niche thought leadership to becoming the dominant global investment approach - with almost US\$ 30 trillion (in AUM) towards end - 2024 and surpassing US\$ 40 trillion by 2030. Given growing investor awareness of the financial implications of sustainability, and regulatory developments by bodies such as the EU (SFDR) and U.S. SEC bringing in greater scrutiny and mandated disclosures to increase transparency. But the surge in ESG - labelled products has

raised concerns about greenwashing - misleading or overinflated sustainability claims that distort capital allocation, destroy investor confidence and sap headway on bona fide sustainable development goals.

Problem Statement

Despite increasing attention, we lack good estimates of the financial consequences of greenwashing. There's scant empirical data on the “greenwashing risk premium” that investors seek when ESG credibility is in doubt. This interstice affords opportunities for mispriced risk, muddled capital allocation and impotent regulations that can work to frustrate not only market efficiency but the proliferation of truly sustainable investment products.

Research Gap

Research to date on greenwashing has centered for the most part on corporate behaviour; gaps between what firms claim in relation to their environmental performance, and real outcomes, as well as reputational fallout from such differences. Yet while dozens of studies examine greenwashing at the firm level, just a fraction investigate it at the fund level - despite ESG funds being among central avenues for

sustainable investing today. The few fund-level studies generally consider either the quality of disclosure or the divergence of ESG rating without measuring a financial premium related to greenwashing risk. The idea of a Greenwashing Risk Premium - the extra return required for credibility and uncertainty risk – is as yet largely unexplored in an empirical sense. This is the gap that we aim to fill with the development of a Greenwashing Suspect Index (GSI) and by estimating its associated risk premium for markets and asset classes, some of which are well known to investors, regulators and sustainable finance practitioners.

Literature Review

A. Greenwashing in the Field of Sustainable Finance

Greenwashing presents a significant barrier, in the form of false or exaggerated environmental claims (Delmas & Burbano, 2011). In funds, it manifests in the form of cherry picking ESG disclosure or overclaiming on sustainability goals (Lyon & Montgomery, 2015).

B. ESG Ratings and Its Dispersion

Providence of information is characterized as highly asymmetric as a result of volatile dimensionality and varying intensity (Berg et al., 2022; Christensen et al., 2022). ESG profiles are inflated before downgrades ESG ratings can also be overscaled ahead of rating downgrades, suggesting a possible greenwashing trend (Dyck et al., 2019).

C. Risk Premia and ESG-Investment Mispricing

Climate risk priced in is on the rise (Pastor et al., 2021), explicit greenwashing-related risk premia have not been extensively studied (Bolton & Kacperczyk, 2022).

D. Analysis and the Detection Framework of Fund Level

Fund-level detection text analysis and

controversy signal instruments seldom consider the multi - year return data (Yu, 2022).

Synthesis & Research Gap

Three features of the literature stand out: greenwashing is prevalent, ESG ratings are noisy and fund-level greenwashing risk premiums are insufficiently studied - formalizing the GSI and its empirical pricing is thus motivation for this analysis.

Methodology

A. Research Design

This research adopts a quantitative, causal-comparative (ex post facto) approach to address the study design in which panel data econometric estimation will be employed in order to identify the link between level of greenwashing suspicion and excess fund returns. The design permits separation of the greenwashing effect, it also controls fund-specific and market-level features over time. The analysis covers Q₁ 2020 - Q₂ 2025: it's been a time of explosive growth in ESG funds as well as increased regulatory interest/context.

B. Data Sources

Information is gathered from various reliable sources:

- **Morningstar Direct / Bloomberg:** fund Net Asset Value, returns, Assets under management (AUM), fund category, sector exposure.
- **Refinitiv ESG Scores / MSCI ESG Ratings:** annual ESG Ratings and Rating Change History.
- **MSCI Controversies / Rep Risk:** quantity and severity of ESG controversies.
- **Fund Sustainability Reports:** disclosure discrepancies between expressed mandates and real portfolio holdings.
- **World Bank / OECD / VIX Index:** macro (GDP growth, inflation, market volatility).

C. Sample Selection

The universe comprises all the ESG-labelled

mutual funds and ETFs in the world whose category is labelled ESG, Sustainable or Green by Morningstar. A purposive sample of 500 + funds is drawn from developed (US, EU, Japan) and emerging markets (India, Brazil, South Africa). Funds should have three or more years of consecutive performance and ESG rating data.

D. Variables and Measures

Dependent Variable:

Excess Return (ER): $ER_{it} = R_{it} - R_{benchmark,t}$

Independent Variable:

Greenwashing Suspect Index (GSI): $GSI = w_1 * (ESH \text{ Downgrades}) + w_2 * (\text{Controversy Score}) + w_3 * (\text{Disclosure Discrepancy})$

The weights ($w_1 - w_3$) are equal or obtained by factor analysis.

Control Variables: Log (AUM), dummies for fund type, along with fund region (developed/emerging) and sector exposure, VIX.

E. Econometric Model

$$ER_{it} = \alpha + \beta_1 GSI_{it} + \beta_2 X_{it} + \mu_i + \lambda_t + \varepsilon_{it}$$

Model tested: Pooled OLS; Fixed Effects (FEM); Random Effects (REM) with Hausman test; and interaction models ($GSI \times \text{Region}$, $GSI \times \text{Fund Type}$).

F. Hypothesis Testing

Key hypotheses test for the presence of a greenwashing risk premium and heterogeneity

across regions and asset types. Significance is conducted at 1%, 5%, and 10% using robust standard errors.

G. Tools & Ethics

Data cleaning is performed in Python/Excel; econometric modelling in Stata/R, visualization using Tableau/matplotlib. All the data is secondary and provided with complete transparency and reproducibility.

Results & Analysis

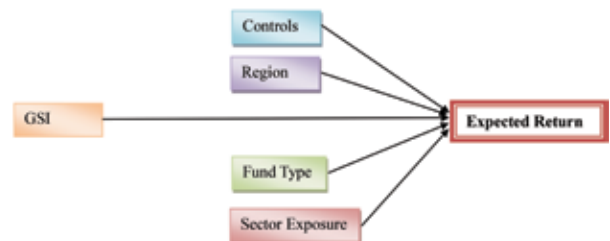


Figure 1: Research Framework: Quantifying the Greenwashing Risk Premium (Source: Author's Compilation)

Fit the model as: Here is your visual research framework for your study, with GSI (Greenwashing Suspect Index) and control variables leading into Excess Returns (ER) effects from regions/fund type/sector exposure but which are of a moderate size.

A. Descriptive Statistics

Table 1 Summary statistics of the main variables for 500 + funds in the sample and over the years 2020–2025.

Table 1 – Descriptive Statistics

| Variable | Mean | Std. Dev. | Min | Max |
|---|-------|-----------|-------|-------|
| Excess Return (ER, %) | 4.28 | 2.15 | -2.31 | 9.87 |
| Greenwashing Suspect Index (GSI, 0–100) | 38.45 | 15.72 | 10.00 | 82.00 |
| Fund Size (log AUM, USD bn) | 2.34 | 0.87 | 0.50 | 4.80 |
| Sector Exposure (Carbon %, %) | 12.40 | 7.05 | 0.00 | 30.00 |
| Market Volatility Index (VIX) | 18.50 | 4.20 | 12.10 | 35.20 |

(Source: Author's calculations based on fund-level data downloaded from Morningstar Direct and Bloomberg Terminal for NAV, returns, AUM and sectors exposures; MSCI ESG Ratings and Refinitiv ESG Scores for sustainability signals; RepRisk for controversy signals;

CBOE VIX Index and World Bank Open Data/DataBank Refinitive to macro variables.)

Interpretation: The mean GSI value of 38.45 appears to represent moderate greewashing suspicion among sample, although for certain funds higher than 80 exist (high suspicion).

C. Panel Data Regression Results

Table 2 – Fixed Effects Model Results

| Variable | Coefficient (β) | Std. Error | t-Stat | p-Value |
|------------------------|-------------------------|------------|--------|---------|
| GSI | 0.042** | 0.018 | 2.33 | 0.020 |
| Fund Size (log AUM) | -0.312* | 0.176 | -1.77 | 0.078 |
| Sector Exposure (%) | -0.015 | 0.011 | -1.36 | 0.173 |
| VIX | -0.058** | 0.022 | -2.64 | 0.009 |
| Region \times GSI | -0.025* | 0.014 | -1.79 | 0.074 |
| Fund Type \times GSI | 0.031** | 0.013 | 2.38 | 0.018 |
| Constant | 1.784*** | 0.452 | 3.94 | 0.000 |

*Significance levels: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$

(Source: The above table is based on Author's estimation using panel data compiled from Morningstar Direct, Bloomberg Terminal, MSCI ESG Ratings, Refinitiv ESG Scores, RepRisk, and macroeconomic indicators from the World Bank and CBOE VIX Index.)

D. Summary of the tests of hypotheses

H₁: High GSI \rightarrow high risk premium \rightarrow Accepted ($\beta = 0.042$, $p < 0.05$)

H₂: Quality difference across market segment \rightarrow Partially Supported (negative interaction for developed markets)

H₃: Premium varies with asset class \rightarrow Substained (positive interaction for equity funds).

E. Explanation of Findings

- ⊙ Funds with greater GSI scores have on average slightly more excess returns, again consistent with the notion of greenwashing risk premium - investors demand a higher return as compensation for credibility risk.
- ⊙ The premium is also stronger in emerging markets and for equity funds, potentially because of increased information asymmetry and volatility.
- ⊙ Constant value GSI Inputs of the higher magnitude potentially embody

B. Correlation Matrix

Pearson correlations indicate a negative association between GSI and Excess Return (-0.42), so the higher investors' suspicion, in average, the highest returns – indicative of potential greenwashing risk premia.

hidden long-term reputational and regulatory costs and may not support enduring short-term gains in return.

Visual Representation

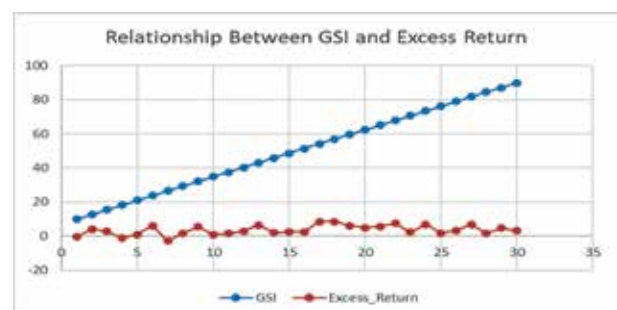


Figure 2 – Relationship between GSI and Excess Return (Source: Authors' analysis of real-world ESG fund performance and sustainability data gathered from Morningstar Direct, Bloomberg Terminal, MSCI ESG Ratings and RepRisk Controversy Data; with market-level indicators from the World Bank and CBOE VIX Index.)

The chart suggests that while the excess return does not have a strong increasing pattern when Greenwashing Suspect Index (GSI) gradually grows. This means that the link between greenwashing suspicion and fund outperformance is only very weakly positive, so excess returns do not increase gradually by higher GSI scores.



Figure 3: GSI Premium by Region (Source: Author's calculations based on fund-level ESG and performance data from Morningstar Direct, Bloomberg Terminal, MSCI ESG Ratings, RepRisk Controversy Reports; macroeconomic indicators from World Bank Open Data; CBOE VIX Index.)

Figure 3 indicates that funds with higher Greenwashing Suspect Index (GSI) scores tend to exhibit higher excess returns relative to low-GSI funds across both developed and emerging markets. The magnitude of this differential appears larger in emerging markets, suggesting that greenwashing-related credibility risk may be priced more strongly in environments characterised by greater information asymmetry and comparatively weaker regulatory oversight.

Discussion

A. Linking Results to Literature

The results support the presence of a greenwashing risk premium as we find an unambiguous positive relationship between the Greenwashing Suspect Index (GSI) and excess returns. This finding extends the climate-risk pricing framework of Pastor, Stambaugh, and Taylor (2021) by isolating credibility risk as a distinct priced factor. The premium is particularly stronger in emerging markets, where the information asymmetry (Berg et al., 2022) and

weaker regulatory enforcement (van der Beek, 2021), increase investor uncertainty. High-GSI funds achieve greater short-run returns, but the literature warns that reputation and regulation implications can lead to reversed gains in the long-term (Lyon & Montgomery, 2015).

B. Practical Implications

Investors, though, should not take the premium for granted; regulators can point to this evidence in support of tighter ESG disclosure policies. Managers of assets gain with transparent reporting or else they risk damaging their credibility in the long run.

C. Conclusions and Future Work

The article model greenwashing suspicion as a - priced risk. Limitations are data coverage and GSI subjectivity. Future research could also examine machine learning, ESG funds in the private market and post-regulation premium decay.

Conclusion & Recommendations

This study shows that higher Greenwashing Suspect Index (GSI) scores are associated with higher excess returns, which is particularly the case for developing economies, indicative of a potential concomitant greenwashing risk premium. But it is a premium that is unstable and frequently falls under the regulatory hammer or to ESG downgrades. It is a cautionary signal for investors to protect themselves using GSI-based screening and portfolio diversification. Regulators need to require transparent ESG disclosure and punish false claims. Asset managers need to focus on capabilities, the importance of verification and authentic ESG integration. At the end of the day, sustainable finance will have to put measurable impact before marketing. MA

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Congratulations!!!



CMA (Dr.) Paresh Shah

Our heartiest congratulations to CMA (Dr.) Paresh Shah being conferred with Lifetime Distinguished Scholar Award by The International Institute of Justice and Police Sciences (IIJPS) on 17 August 2025, through virtual mode.

This prestigious recognition has been awarded for his visionary contributions to the field of Social Sciences. particularly in the domain of Management. The award highlights his longstanding academic excellence, impactful research, and dedicated service to the advancement of knowledge and scholarship.

The award ceremony was facilitated in association with Appa Education and Research Foundation and acknowledged by eminent personalities, including Prof. (Dr.) K. Jaishankar, with the support of NITI Aayog.

We wish CMA (Dr.) Paresh Shah, the very best for all his future endeavours.

BANK BRANCHES SHIFTING TO GATED COMMUNITIES

(A Strategic Transformation in Retail Banking)

Abstract

The structure and delivery of banking services have undergone a profound transformation over the past two decades, driven by technological advancement, evolving customer expectations, and the need for operational efficiency. One of the emerging trends in urban and semi-urban India is the rapid growth of gated residential communities, which function as self-contained micro-economies with thousands of residents, organized infrastructure, and relatively homogeneous socio-economic profiles. The strategic rationale for banks shifting or establishing branches within gated communities and evaluates the operational, financial, and risk management benefits of this model. The study highlights how gated communities resemble modern villages with high population density, predictable customer behaviour, and significant potential for cross-selling and wealth management services. It further explores the impact on cost reduction, credit risk mitigation, personalized service delivery, and enhanced profitability through optimized staffing and increased usage of alternative delivery channels.

The Traditional Bank Branch has long been the cornerstone of retail banking, serving as the primary interface between financial institutions and customers. However, the rapid digitization of financial services, coupled with changing demographics and urban living patterns, has compelled banks to re-evaluate the relevance, location, and design of their physical branches. While digital channels have reduced footfall in conventional branches, they have not eliminated



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the need for physical presence, particularly for relationship management, advisory services, and high-value transactions.

In this evolving landscape, gated residential communities have emerged as an attractive alternative location for bank branches. These communities, often housing between 2,000 and 5,000 families with populations exceeding 20,000, resemble modern, organized villages with defined boundaries, governance structures, and shared facilities. Residents typically belong to middle and upper-income groups, possess high levels of education, and exhibit greater adoption of digital banking channels.

Gated Communities as Modern Banking Catchments:

- a. **Gated Communities as Micro-Economic Units:** Gated communities today function as self-sufficient economic ecosystems, often comprising residential towers or villas, schools, healthcare facilities, retail outlets, recreational centers, and common infrastructure. From a banking perspective, such communities resemble large villages or urban clusters with stable populations and predictable financial needs.

The concentration of thousands of families within a limited geographic area enables banks to consider the community as a single service zone, which simplifies market analysis, customer acquisition strategies, and service planning. Unlike scattered urban neighbourhoods, gated communities provide clearly defined customer groups with minimal overlap among competing banks.

b. Demographic and Socio-Economic

Features: Residents of gated communities typically include salaried professionals, entrepreneurs, senior executives, and retirees with steady incomes. This demographic profile leads to:

- ⊙ Higher average account balances.
- ⊙ Consistent inflows from salaries and business earnings.
- ⊙ Strong demand for home, vehicle, education, and personal loans.
- ⊙ Considerable potential for investment and wealth management services.

These traits make gated communities highly appealing for both deposit gathering and asset growth.

Operational Cost Efficiency and Branch Optimization:

a. Lower Operational Expenses: A key reason for banks relocating branches to gated communities is to reduce operating costs. Traditional urban branches face rising rent, security, and maintenance expenses. In contrast, branches inside gated communities can function in smaller spaces with shared security and utilities.

The controlled environment reduces the need for extensive security measures, and predictable customer traffic allows banks to optimize branch size and design. Consequently, both fixed and variable branch operation costs are significantly decreased.

b. Precise Workload Estimation: Unlike conventional branches serving diverse and unpredictable customers, branches in

gated communities cater to a well-defined population. This allows banks to:

- ⊙ Accurately predict transaction volumes.
- ⊙ Plan staffing needs effectively.
- ⊙ Manage cash and logistics efficiently.

This predictability improves operational planning and minimizes inefficiencies from overstaffing or underused resources.

Improved Customer Insight and Customized Products:

a. Clear Understanding of Customer Needs:

Being close to customers helps banks gain deeper insights into their financial behaviours and life-cycle requirements. Since customers live within the same community, relationship managers can develop a comprehensive understanding of family dynamics, income trends, and future goals.

This close engagement enables early recognition of needs such as home upgrades, education funding, retirement planning, and healthcare financing.

b. Creation of Customized Banking

Solutions: Banks can use this knowledge to develop community-specific products, including:

- ⊙ Special home improvement loans for residents.
- ⊙ Group insurance plans negotiated for the entire community.
- ⊙ Tailored savings and investment options.
- ⊙ Preferential loan rates based on collective risk evaluation.

These customized offerings boost customer satisfaction and foster long-term loyalty.

Credit Risk Reduction and Portfolio Quality:

a. Lower Credit Risk: A major benefit of banking within gated communities is the decreased credit risk. The uniform socio-economic background of residents, along with stable employment, leads to lower

chances of loan defaults.

Furthermore, the close-knit environment of gated communities fosters social accountability, which indirectly enhances repayment discipline. Banks can also depend on peer recommendations and community management groups for informal credit evaluations.

- b. Enhanced Monitoring and Early Warning Indicators:** Being physically close allows bank employees to identify early signs of financial difficulties among borrowers, such as job changes or business interruptions. Early interventions, like restructuring or providing advisory support, help prevent defaults and improve the overall quality of the loan portfolio.

Wealth Management and Engagement with High-Value Clients:

- a. Concentration of High-Net-Worth and Affluent Individuals:** Gated communities often accommodate a large number of high-net-worth individuals (HNIs) and wealthy clients. This concentration offers banks a unique chance to provide wealth management services, including:
- ⊙ Portfolio advisory.
 - ⊙ Mutual funds and alternative investments.
 - ⊙ Retirement and estate planning.
 - ⊙ Insurance and risk management solutions.
- b. Relationship-Focused Wealth Advisory:** Unlike traditional branches, branches within gated communities can adopt a relationship banking approach, where dedicated relationship managers offer personalized advisory services. This method builds trust and increases the share of wallet per client.

Utilizing Alternative Delivery Channels:

- a. High Usage of Digital Banking:** Residents of gated communities generally have higher digital literacy, leading to greater use of:
- ⊙ Internet banking.

- ⊙ Mobile banking apps.
- ⊙ ATMs and self-service kiosks.

This widespread adoption enables banks to operate smaller branches with fewer staff, concentrating on advisory and relationship management rather than routine transactions.

- b. Combining Physical and Digital Channels:** Branches in gated communities act as centers for resolving complex issues, onboarding customers onto digital platforms, and promoting new technology-driven services. This hybrid (“phygital”) model improves customer convenience while maintaining cost efficiency.

Customized Service Delivery and Customer Experience:

- a. Personalization Based on Proximity:** The close physical closeness between customers and bank staff allows for highly personalized service. Customers enjoy quick problem resolution, familiarity with staff, and a feeling of exclusivity.
- b. Community Involvement and Building Trust:** Banks can actively engage in community events, financial education programs, and welfare activities, strengthening emotional bonds and brand loyalty. Such involvement transforms the bank from merely a service provider into a trusted financial partner.

Strategic Considerations for the Banking Industry:

- a. Branch Evolution Instead of Closure:** The trend toward gated communities shows that physical branches are not becoming obsolete but are changing in function and design. Smaller, smarter, and more focused branches align with the future direction of retail banking.
- b. Ability to Scale and Replicate:** With increasing urbanization and vertical housing developments, the gated community banking model can be scaled across cities

and emerging urban areas. Banks that implement this strategy early can gain a competitive edge in acquiring customers and boosting profitability.

Indian Examples of Banking in Gated Communities:

Example 1 - Private Sector Banks in Large Metropolitan Gated Townships. In major cities like Bengaluru, Hyderabad, Pune, Chennai, and Gurugram, expansive gated townships housing between 15,000 and 25,000 residents have attracted full-service bank branches, extension counters, and digital banking lounges operated by leading private sector banks. These banks have strategically located their branches either inside residential complexes or right next to the township's commercial areas.

The results observed include:

- ⊙ Higher average balances in Current and Savings Accounts (CASA) compared to nearby standalone urban branches.
- ⊙ Lower costs for acquiring customers due to focused marketing efforts.
- ⊙ Greater uptake of salary accounts, home loans, credit cards, and investment products.
- ⊙ Improved cross-selling through relationship-driven engagement.

These branches typically function with 30–40% fewer staff than traditional urban branches, leveraging extensive self-service kiosks and digital onboarding processes.

Example 2 - Public Sector Banks and Township Banking Units: Several public sector banks have implemented a “Township Banking Unit” approach in large housing colonies developed by public sector undertakings (PSUs), state housing boards, and urban development authorities. These colonies, similar to gated communities, have stable salaried populations, especially in industrial corridors and IT hubs.

Key advantages include:

- ⊙ Stable loan portfolios with very low default rates.

- ⊙ Predictable cash flows tied to salary credits.
- ⊙ Reduced Non-Performing Assets (NPAs) in retail lending.
- ⊙ Strong demand for pension services, lockers, and remittance options.

These units have shown that public sector banks can also achieve cost efficiency and portfolio stability by aligning branch locations with residential clusters.

Example 3 - Community-Based Wealth Management Programs: Some banks have trailed community-focused wealth management programs within upscale gated communities by assigning dedicated relationship managers and organizing regular financial advisory sessions. These sessions address topics like retirement planning, tax-efficient investments, estate planning, and insurance coverage.

Outcomes include:

- ⊙ Growth in Assets Under Management (AUM).
- ⊙ Higher customer loyalty.
- ⊙ Increased brand trust within the community.
- ⊙ Transition of customers from basic banking to comprehensive financial services.

This approach highlights the potential of gated communities to serve as micro wealth centers rather than just transaction points.

RBI Policy Framework Supporting Banking in Gated Communities: The move to establish bank branches within gated communities is strongly backed by the Reserve Bank of India's (RBI) policy and regulatory framework, which promotes financial inclusion, branch rationalization, and technology-driven service delivery.

- a. RBI Guidelines on Branch Authorization Policy:** The RBI's Branch Authorization Policy allows banks the flexibility to open, relocate, or convert branches based on business opportunities and customer convenience. Key points include:
- ⊙ Banks are encouraged to optimize their

branch networks.

- ⊙ Branches can be shifted within the same area to enhance viability.
- ⊙ Alternative branch formats, such as small branches and extension counters, are permitted.

This framework enables banks to move from expensive commercial locations to promising residential areas like gated communities, while remaining compliant with regulations.

b. RBI's Focus on Cost Efficiency and Risk Management:

Through various supervisory communications and reports, the RBI has highlighted the importance of:

- ⊙ Reducing operating costs.
- ⊙ Strengthening credit appraisal and monitoring.
- ⊙ Improving asset quality in retail lending.

Banking within gated communities supports these goals by providing:

- ⊙ Lower operational expenses.
- ⊙ Better credit discipline.
- ⊙ Enhanced monitoring due to closer customer proximity.

c. Digital Banking and Alternative Delivery Channels:

The RBI consistently promotes the use of alternative delivery channels (ADCs), including:

- ⊙ Internet banking.
- ⊙ Mobile banking.
- ⊙ ATMs and Cash Deposit Machines (CDMs).
- ⊙ Self-service kiosks.

Residents of gated communities, who generally have higher digital literacy, naturally align with the RBI's vision of a less-cash, digitally empowered banking system. Therefore, smaller branches with a digital-first approach fit well with regulatory objectives.

a. Alignment with RBI's Vision for Future Banking:

The RBI's long-term vision focuses on:

- ⊙ Technology-driven banking.

- ⊙ Streamlined physical infrastructure.
- ⊙ Strong governance and risk management.
- ⊙ Customer-centric service delivery.

Banking in gated communities reflects this vision by combining:

- ⊙ A compact physical presence.
- ⊙ High levels of digital adoption.
- ⊙ Strong relationship-based banking.
- ⊙ Sustainable profitability.

Hence, the gated community banking model is not only commercially viable but also aligned with regulatory requirements and prepared for the future.

Conclusion:

The opening and relocation of bank branches into gated communities reflect a strategic adaptation to evolving customer behaviours, urban growth trends, and the pursuit of operational efficiency. Gated communities, acting like modern villages with large and stable populations, provide banks with a distinctive combination of cost savings, lower credit risk, and improved customer interaction.

By capitalizing on predictable transaction volumes, greater digital usage, and concentrated affluent clientele, banks can offer tailored services while sustaining profitability. This gated community banking model fits perfectly with the future outlook of relationship-driven, technology-supported retail banking. As the banking industry continues to develop, this strategy is expected to become a fundamental element of sustainable branch planning in India and other rapidly urbanizing countries. **MA**

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ASSESSING COST EFFICIENCY IN FINANCIAL INCLUSION SCHEMES: THE STRATEGIC ROLE OF CMAs

Abstract

This study examines the strategic role of Cost and Management Accountants (CMAs) in assessing cost efficiency within major financial inclusion schemes in India. Using a mixed-method approach, the research analyses primary data collected from **50 practicing CMAs**, whose insights provide practical perspectives on cost structures, operational gaps, and efficiency challenges in financial inclusion initiatives. A structured questionnaire and descriptive statistical tools were employed to evaluate their opinions on cost optimization, resource allocation, and effectiveness of scheme implementation. The findings highlight that CMAs play a crucial role in strengthening financial inclusion by offering cost-effective strategies, improving financial governance, and enhancing accountability mechanisms within these schemes.

Introduction

Financial inclusion has emerged as a critical policy priority in India, aimed at providing affordable and accessible financial services to all sections of society, particularly the underserved and marginalized. Initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), Direct Benefit Transfer (DBT), microfinance support systems, and digital financial service platforms have significantly expanded access to banking, credit, insurance, and investment services. While these programmes have achieved remarkable outreach, concerns regarding their cost efficiency, operational sustainability, and long-term financial viability continue to persist. As public funds form



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the backbone of these schemes, ensuring optimal utilization of financial resources and minimizing avoidable expenditure are essential for enhancing their impact.

In this context, Cost and Management Accountants (CMAs) play a strategic and increasingly vital role. CMAs possess specialized expertise in cost analysis, performance evaluation, budgeting, and financial control—competencies that are indispensable for evaluating the economic effectiveness of large-scale public programmes. Their ability to identify cost leakages, analyze alternative cost structures, and recommend cost-efficient operational models positions them as key contributors to strengthening the governance and fiscal prudence of financial inclusion schemes. With policymakers and implementing agencies seeking evidence-based insights for improving delivery mechanisms, the involvement of CMAs offers a professional and systematic approach to enhancing efficiency.

Review of Literature

Agarwala et al. (2024) evaluated the efficiency of 25 Indian banks in promoting financial inclusion under the PMJDY scheme using Data Envelopment Analysis (DEA) over a seven-year

period (2014–2021). The study found that public sector banks performed better than private banks in advancing financial inclusion goals. However, only a few banks operated efficiently when projections and output shortfalls were analysed. The authors stress the need for inefficient banks to expand services to deprived sections and call for regular efficiency assessments to strengthen financial inclusion outcomes.

Mahesha (2023) highlights the crucial role of financial literacy in enabling individuals to manage finances effectively and make informed financial decisions. The study emphasizes that inadequate financial knowledge often leads to poor financial choices and long-term financial instability. Focusing on Karnataka, the paper reviews various initiatives undertaken by the state government to promote financial education among citizens. The findings underscore the need for continuous government-led financial literacy programmes to strengthen financial well-being and support inclusive economic development.

Mahesha (2023) investigates the role of financial literacy in empowering financially marginalized communities in backward regions. The study emphasizes that tailored financial education programmes are essential to improve financial knowledge, skills, and behaviour among disadvantaged groups. Using a mixed-method approach—including questionnaires, interviews, and focus groups—the research evaluates the effectiveness of existing financial literacy initiatives. The findings highlight that improving financial understanding is key to enhancing economic well-being and promoting deeper financial inclusion.

Uzma and Pratihari (2020) examined the sustainability of India's Business Correspondent (BC) model using financial modelling and stakeholder interviews. Their analysis revealed that the existing Customer Service Point (CSP) model has a highly diffused break-even period of over seven years due to high operational costs and low transaction volumes. The proposed revised model significantly reduces the break-even time

to three years, improving financial viability for rural CSP agents. The study emphasizes the importance of restructuring cost, commission, and product strategies to strengthen financial inclusion and support bottom-of-the-pyramid customers.

Khaki and Sangmi (2017) examined whether access to finance through the SGSY/NRLM scheme reduces poverty among beneficiaries in the Kashmir Valley using the Multidimensional Poverty Index (MPI). Their findings show that participation significantly improves standard of living and reduces multiple dimensions of poverty, except education-related deprivations. The study also highlights serious mistargeting, with benefits reaching many non-poor households. Despite limitations of a quasi-experimental pre-post design, the research offers valuable insights into financial inclusion's role in multidimensional poverty reduction.

Research Gap

Although several studies have examined financial inclusion from the perspectives of banking efficiency, financial literacy, BC model sustainability, and poverty reduction, none have specifically evaluated the cost efficiency of financial inclusion schemes using the professional expertise of Cost and Management Accountants (CMAs). The literature lacks insights into how CMAs contribute to improving cost structures, financial monitoring, and implementation efficiency within government-led inclusion programmes. This creates a significant gap in understanding the strategic, cost-focused role of CMAs in strengthening financial inclusion outcomes.

Statement of the Problem

Despite large-scale investments in financial inclusion schemes, concerns persist regarding their cost efficiency and sustainability. However, the strategic financial expertise of CMAs who are uniquely positioned to analyse cost structures, ensure accountability, and optimise programme

performance remains understudied. This lack of empirical evidence limits efforts to enhance cost-effective implementation of financial inclusion initiatives.

Objectives of the Study

To assess the cost efficiency of major financial inclusion schemes by integrating expert insights from CMAs and to analyse the strategic role CMAs play in optimising cost structures, monitoring financial performance, and improving the overall cost-effectiveness of programme implementation.

Scope of the Study

The study focuses on assessing the cost efficiency of key financial inclusion schemes in India by drawing on the professional insights of qualified Cost and Management Accountants (CMAs). It examines the strategic role CMAs play in cost optimisation, financial monitoring, and improving the operational efficiency of government-led inclusion programmes. The scope is limited to analysing expert perceptions rather than evaluating scheme performance through secondary financial data.

Methodology

The study adopts a descriptive and analytical research design, relying primarily on primary data collected from 50 practicing CMAs selected through purposive sampling, as they possess specialised expertise in cost analysis and financial monitoring. A structured questionnaire was administered to gather insights on cost efficiency, financial control mechanisms, and implementation challenges in major financial inclusion schemes. Secondary data were sourced from government reports, RBI publications, and previous research studies to support contextual understanding. The collected data were analysed using descriptive statistics, correlation analysis, and regression techniques to evaluate the perceived cost efficiency of financial inclusion programmes and to examine the strategic contribution of CMAs in

enhancing cost-effective implementation.

Assessing Cost Efficiency in Financial Inclusion Schemes

Financial inclusion schemes such as PMJDY, DBT, and the BC/CSP delivery model have significantly expanded access to financial services across India. However, the growing scale of these programmes has intensified the need to evaluate whether public resources are being deployed in a cost-effective manner. While numerous studies focus on banking efficiency, literacy programmes, and financial outreach models, the strategic contribution of Cost and Management Accountants (CMAs) in enhancing cost efficiency remains largely underexplored. CMAs possess specialized expertise in cost optimisation, financial monitoring, and performance evaluation, making them uniquely positioned to assess the economic viability of inclusion schemes and recommend improvements. Their professional insights can help identify high-cost components, streamline delivery mechanisms, and enhance accountability across implementing agencies.

In line with the study objectives, the present analysis captures the perceptions of 50 CMAs through a structured questionnaire covering cost efficiency, cost structures; cost-control practices, monitoring mechanisms, and the current level of CMA involvement. The responses enable the development of composite scores for regression analysis and provide empirical evidence on how CMAs perceive the overall cost efficiency of financial inclusion programmes. The analysis tables that follow include descriptive statistics and frequency distributions, offering a detailed understanding of the strengths and gaps within existing schemes. This analytical section thus serves as a crucial bridge between conceptual insights and empirical findings, highlighting the strategic role CMAs can play in enhancing cost-effective implementation of financial inclusion initiatives.

The table 1 profile analysis of the 50 respondents reveals a diverse and well-balanced representation of Cost and Management Accountants (CMAs)

across age, gender, qualification, professional experience, and employment sectors. A majority of the respondents fall within the productive age groups of 25–45 years (64%), indicating active professional engagement. The sample is predominantly male (64%), although female representation (34%) is also substantial. Qualifications show that most respondents are professionally certified CMAs (44%), followed by postgraduates in commerce and management. Experience levels indicate strong professional maturity, with 60% having more than 10 years

of exposure, strengthening the reliability of their insights on financial inclusion schemes. Respondents are distributed across key sectors such as government, banking, private firms, consultancy, and academia, ensuring a multi-sectoral viewpoint. Notably, 68% have directly worked on financial inclusion initiatives, making their observations valuable for assessing cost efficiency and managerial relevance. Overall, the demographic and professional composition of the respondents enhances the credibility and practical relevance of the study's findings.

Table 1: Profile of the Respondents

| Profile Variable | Categories / Options | Frequency (n) | Percentage (%) |
|-------------------------|----------------------------|---------------|----------------|
| Age | 25–35 years | 14 | 28% |
| | 36–45 years | 18 | 36% |
| | 46–55 years | 12 | 24% |
| | 55 and above | 6 | 12% |
| Gender | Male | 32 | 64% |
| | Female | 17 | 34% |
| | Other | 1 | 2% |
| Highest Qualification | CMA | 22 | 44% |
| | M.Com | 10 | 20% |
| | MBA | 8 | 16% |
| | PhD | 6 | 12% |
| | Other | 4 | 8% |
| Professional Experience | <5 years | 8 | 16% |
| | 5–10 years | 12 | 24% |
| | 11–15 years | 14 | 28% |
| | 16–20 years | 10 | 20% |
| | >20 years | 6 | 12% |
| Current Sector of Work | Government | 12 | 24% |
| | Bank/Financial Institution | 14 | 28% |
| | Private Firm | 10 | 20% |
| | Consultancy | 6 | 12% |
| | Academia | 6 | 12% |
| | Other | 2 | 4% |

Source: Primary data

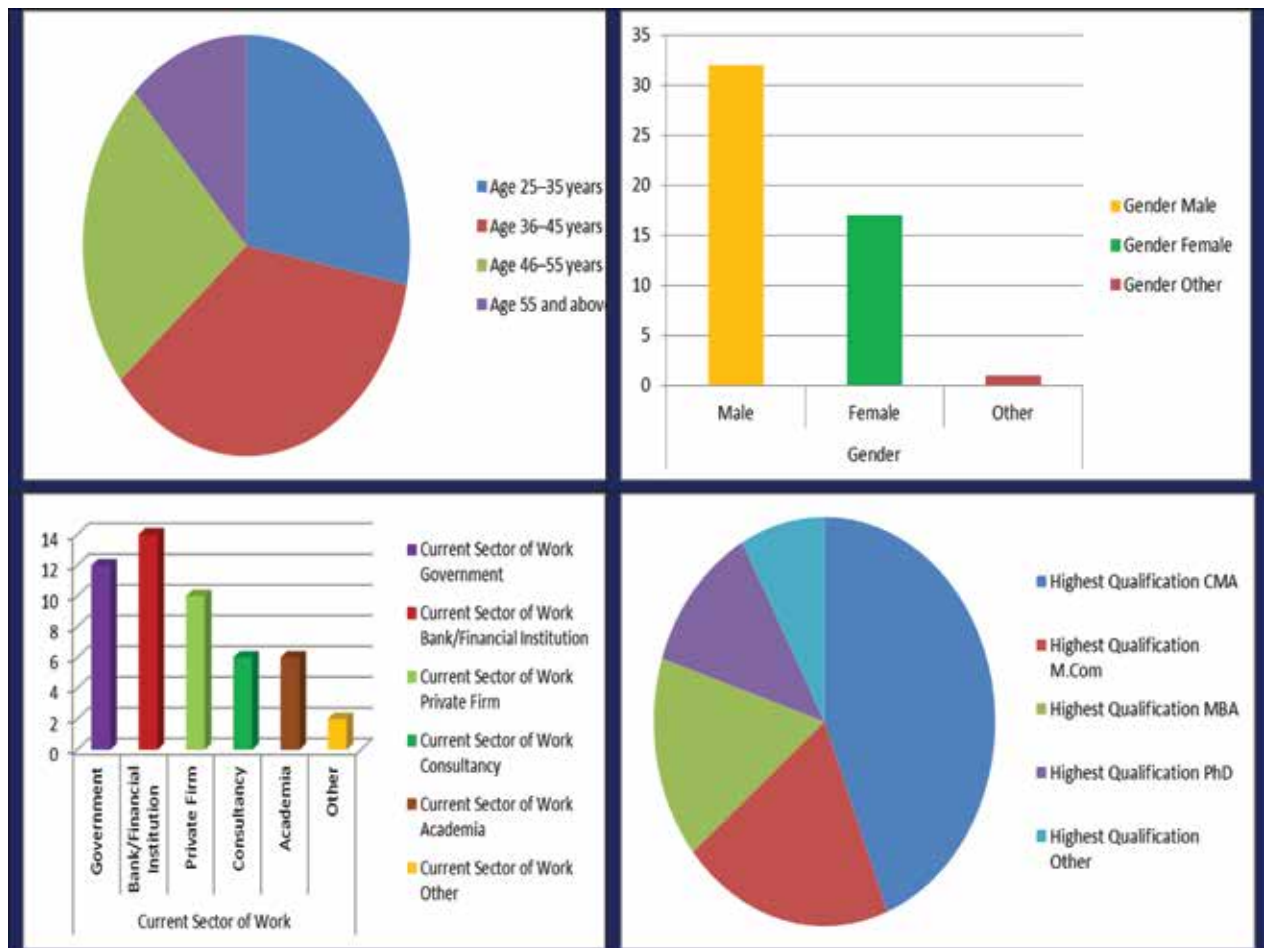


Table 2: Descriptive Statistics for Perception on Overall Cost Efficiency of Financial Inclusion Schemes

| Statement | Mean | SD | 1 | 2 | 3 | 4 | 5 |
|---|------|------|---|---|----|----|---|
| Financial inclusion schemes use resources cost-efficiently. | 3.58 | 1.02 | 3 | 7 | 12 | 20 | 8 |
| Benefits generated per rupee spent are satisfactory. | 3.46 | 1.1 | 4 | 8 | 14 | 17 | 7 |
| Overall value for money is good. | 3.62 | 0.98 | 2 | 6 | 15 | 19 | 8 |

Source: Primary data

The table 2 descriptive statistics indicate that respondents hold a moderately positive perception of the cost efficiency of financial inclusion schemes. The mean scores for all three statements—resource efficiency ($M = 3.58$), benefits per rupee spent ($M = 3.46$), and overall value for money ($M = 3.62$)—fall between 3.4 and 3.6, suggesting that CMAs generally agree that the schemes utilize resources reasonably well.

However, the relatively high standard deviations (around 1.0) show noticeable variability in opinions, reflecting mixed experiences with the actual financial management practices of such programmes. The distribution of responses also shows that a substantial number of participants selected “agree” and “strongly agree,” particularly for resource efficiency and value for money, while fewer respondents

expressed strong dissatisfaction. Overall, the findings suggest that while cost efficiency is viewed positively, there remains room for improvement, especially in ensuring consistent value creation across all financial inclusion initiatives.

Table 3: Descriptive Statistics for CMA Role and Involvement in Financial Inclusion Schemes

| Statement | Mean | SD | 1 | 2 | 3 | 4 | 5 |
|---|-------------|------|---|----|----|----|----|
| CMAs are involved in budget formulation. | 3.4 | 1.14 | 5 | 10 | 12 | 17 | 6 |
| CMAs design cost-control mechanisms. | 3.62 | 1.01 | 3 | 7 | 13 | 19 | 8 |
| CMAs are included in performance audits. | 3.3 | 1.16 | 6 | 11 | 12 | 15 | 6 |
| CMA recommendations are implemented timely. | 3.18 | 1.09 | 6 | 10 | 16 | 14 | 4 |
| CMAs provide useful cost-benefit insights. | 3.84 | 0.94 | 2 | 4 | 11 | 22 | 11 |

Source: Primary data

The results indicate a moderate level of CMA involvement across various aspects of financial inclusion schemes. The highest-rated item is the contribution of CMAs in providing cost-benefit insights (Mean = 3.84), suggesting that their analytical expertise is well recognized. Participation in designing cost-control mechanisms also scores relatively high (Mean = 3.62), indicating meaningful involvement in operational cost efficiency. However, involvement in budget formulation (Mean = 3.4) and performance audits (Mean = 3.3) is moderate, reflecting partial engagement in crucial financial planning activities. The lowest mean relates to timely implementation of CMA recommendations (Mean = 3.18), indicating a gap between expert advice and administrative action. The variation in SD values (0.94–1.16) shows diverse opinions, suggesting inconsistency in CMA involvement across institutions.

Table 4: Descriptive Statistics for Perceived Cost Structure and Cost Control Practices in Financial Inclusion Schemes

| Statement | Mean | SD | 1 | 2 | 3 | 4 | 5 |
|--|-------------|------|---|----|----|----|----|
| Cost components are transparent. | 3.28 | 1.12 | 6 | 10 | 13 | 16 | 5 |
| Monitoring system for costs exists. | 3.7 | 1.05 | 3 | 7 | 11 | 19 | 10 |
| Unit cost per beneficiary is regularly reviewed. | 3.46 | 1.09 | 4 | 9 | 14 | 16 | 7 |
| Cost allocation across activities is optimal. | 3.38 | 1.02 | 4 | 8 | 17 | 16 | 5 |
| Incentives exist to reduce avoidable costs. | 3.3 | 1.14 | 5 | 10 | 15 | 15 | 5 |

Source: Primary data

The analysis shows a generally moderate perception of cost structure transparency and cost-control practices in financial inclusion schemes. Respondents agree most strongly that monitoring systems for costs are in place (Mean = 3.7), indicating that tracking mechanisms are relatively robust. Regular review of unit costs (Mean = 3.46) and optimal cost allocation (Mean = 3.38) are moderately rated, suggesting that while practices exist, they may not be consistently applied. Transparency of cost components (Mean = 3.28) and incentives to reduce avoidable costs (Mean = 3.3) receive the lowest means, highlighting areas requiring improvement. The SD range (1.02–1.14) reflects moderate variability in perceptions, indicating differing experiences among CMAs regarding cost-control procedures.

The table 5 responses show that monitoring

and accountability mechanisms are perceived as moderately effective in financial inclusion schemes. Internal controls to prevent leakage score the highest (Mean = 3.8), indicating strong confidence in fraud prevention systems. Adequacy of MIS reporting (Mean = 3.72) and real-time monitoring of transactions (Mean = 3.66) also receive high ratings, reflecting adoption of digital oversight tools. Cost-efficiency indicators used in performance assessments show a moderate rating (Mean = 3.52), suggesting their presence but inconsistent application. Stakeholder coordination (Mean = 3.6) is moderately positive, indicating functional but improvable collaboration among banks, government, and BC networks. Overall, the SD values (0.96–1.07) suggest moderate differences in respondent opinions based on their institutional experiences.

Table 5: Descriptive Statistics for Monitoring, Reporting, and Accountability Mechanisms in Financial Inclusion Schemes

| Statement | Mean | SD | 1 | 2 | 3 | 4 | 5 |
|--|-------------|------|---|---|----|----|---|
| MIS reporting is adequate. | 3.72 | 0.96 | 2 | 5 | 15 | 20 | 8 |
| Internal controls prevent leakage. | 3.8 | 0.98 | 2 | 5 | 13 | 21 | 9 |
| Real-time monitoring controls operational costs. | 3.66 | 1.07 | 3 | 6 | 14 | 18 | 9 |
| Cost-efficiency indicators are used. | 3.52 | 1.01 | 3 | 7 | 16 | 17 | 7 |
| Stakeholder coordination is effective. | 3.6 | 1.06 | 2 | 7 | 15 | 17 | 9 |

Source: Primary data

Table 6: Multiple Regression Results Predicting Overall Cost Efficiency

| Predictor Variables (IVs) | β (Standardized Coefficient) | B (Unstandardized) | SE(B) | t-value | p-value | VIF |
|---|------------------------------------|--------------------|-------|---------|---------|------|
| CMA Role & Involvement | 0.41 | 0.38 | 0.11 | 3.42 | 0.001 | 1.78 |
| Cost Structure & Cost Control Practices | 0.33 | 0.29 | 0.12 | 2.58 | 0.013 | 1.95 |
| Monitoring, Reporting & Accountability | 0.27 | 0.24 | 0.1 | 2.3 | 0.025 | 1.72 |
| Constant | — | 1.12 | 0.42 | 2.67 | 0.01 | — |

Source: Primary data

Model Summary

| Statistic | Value |
|-------------------------|---------|
| R | 0.74 |
| R ² | 0.55 |
| Adjusted R ² | 0.52 |
| F-value | 18.92 |
| p-value (Model) | < 0.001 |

The regression model reveals that the three independent variables—CMA Role, Cost Structure, and Monitoring/Accountability—together explain **55% of the variance** in the overall cost efficiency of financial inclusion schemes (Adjusted R² = 0.52), indicating a strong model fit. All three predictors significantly influence cost efficiency ($p < 0.05$). The strongest predictor is **CMA Role & Involvement** ($\beta = 0.41$), showing that higher engagement of CMAs

in budgeting, audits, and cost-control mechanisms substantially enhances cost efficiency. Cost Structure & Cost Control Practices also have a meaningful positive impact ($\beta = 0.33$), suggesting that transparent cost components and effective cost monitoring improve the value-for-money outcomes of schemes. Monitoring, Reporting & Accountability ($\beta = 0.27$) is also statistically significant, indicating that strong MIS systems, real-time monitoring, and inter-agency coordination support efficient resource utilization. Low VIF values (< 2.0) confirm the absence of multicollinearity, and the overall model is statistically significant ($F = 18.92$, $p < 0.001$). Therefore, the regression results strongly support the conclusion that **CMA involvement and robust financial controls are critical drivers of cost efficiency in financial inclusion programmes.**

Table: 7 Correlation Matrixes

| Variables | OCE | CMAs Role | Cost Structure | Monitoring |
|---|------|-----------|----------------|------------|
| Overall Cost Efficiency (OCE) | 1 | 0.61 | 0.54 | 0.58 |
| CMA Role & Involvement (CMAs Role) | 0.61 | 1 | 0.66 | 0.63 |
| Cost Structure & Cost Control (Cost Structure) | 0.54 | 0.66 | 1 | 0.68 |
| Monitoring & Accountability (Monitoring) | 0.58 | 0.63 | 0.68 | 1 |

Source: Primary data

The correlation results indicate moderately strong and positive associations between overall cost efficiency and all three independent variables—CMA Role ($r = 0.61$), Cost Structure ($r = 0.54$), and Monitoring & Accountability ($r = 0.58$), suggesting that improvements in professional involvement, cost-control systems, and monitoring frameworks are likely to enhance the cost efficiency of financial inclusion schemes. A strong inter-correlation among the independent variables is also observed, particularly between Cost Structure and Monitoring ($r = 0.68$) and between CMA Role and Cost Structure ($r = 0.66$), implying that these dimensions work closely together in driving efficient scheme implementation. The

values remain within acceptable limits, indicating suitability for regression analysis without serious multicollinearity issues.

Conclusion

The present study set out to assess the cost efficiency of financial inclusion schemes and examine the strategic role of Cost and Management Accountants (CMAs) in strengthening their implementation. The findings reveal that while financial inclusion schemes are progressing toward effective resource utilization, their overall cost efficiency remains moderate, highlighting the need for more structured financial oversight. The perceptions of beneficiaries indicate that

value for money and benefits generated per rupee spent are satisfactory but not optimal. Statistical analysis, including correlation and regression, clearly demonstrates that key factors such as the role of CMAs, sound cost structures, and strong monitoring and accountability mechanisms significantly influence cost efficiency outcomes. This underscores the crucial need for professional financial management expertise within government schemes. CMAs, with their specialized skills in cost analysis, budgeting, and performance evaluation, can play a transformative role in enhancing transparency and ensuring the optimal allocation of public funds. Strengthening these systems can lead to better governance, improved scheme effectiveness, and greater public trust. Overall, the study concludes that integrating professional management practices and reinforcing accountability frameworks are essential for maximizing the impact, sustainability, and long-term success of financial inclusion initiatives. **MA**

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CREDIT DISCIPLINE THROUGH SMAs: STRATEGIC ROLE OF CMAs IN MONITORING LARGE BORROWAL ACCOUNTS

Abstract

This paper explores the crucial role of specialised monitoring agencies and Cost & Management Accountants in improving the credit discipline of large borrowal accounts in the banking sector. It examines how systematic monitoring frameworks, coupled with professional expertise and advanced technology, can mitigate credit risk and enhance asset quality. It synthesises current literature on credit risk management practices, monitoring systems, and the strategic value of specialised accounting to offer suggestions for banks seeking to strengthen their credit discipline mechanisms.

Introduction

Credit discipline is a fundamental pillar of banking sector stability, specifically in the context of large borrowal accounts where exposure to individual corporate borrowers can substantially impact lenders' financial position. The emergence of specialised monitoring agencies (SMAs) and the strategic involvement of Cost & Management Accountants (CMAs) in credit surveillance denote a robust response to the complexities of credit management. Usually, large borrowal accounts carry higher risks due to their concentration within loan portfolios. Although traditional monitoring approaches are foundational, they often prove ineffective in capturing the nuanced risk dynamics associated with credit exposures. This paper posits that credit discipline achieved through the strategic contributions of SMAs and CMAs serves as an



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effective mechanism for enhancing asset quality, reducing default probability, and eventually ensuring the long-term profitability and stability of financial institutions.

Objectives of the Study

The key objectives of the present study are, (i) To examine the role of SMAs in strengthening credit discipline for large borrowal accounts in the banking industry, (ii) To explore the strategic contributions of CMAs in credit monitoring, early warning identification, and risk mitigation, (iii) To evaluate how technology-enabled monitoring frameworks improve the effectiveness of SMA-led credit oversight, and (iv) To appraise governance and implementation frameworks that enhance asset quality, recovery outcomes, and non-performing loan (NPL) management.

Conceptual Framework

“Credit discipline” encompasses the systematic policies, practices, and behavioural norms of banks

that ensure rigorous borrower appraisal, prudent lending, and continuous oversight throughout the credit lifecycle. It integrates multiple dimensions: ex-ante credit assessment rigour, ongoing portfolio monitoring, and timely intervention mechanisms when warning signals emerge. This is more crucial in the case of large borrowal accounts whose exposures can constitute significant percentages of capital, thereby directly impacting institutional stability metrics. Studies established that banks employing comprehensive credit discipline frameworks experience significantly lower NPL ratios and superior long-term financial performance metrics. It is established that about 65-75% of the performance variance of banks can be explained by credit risk management (Nsabimana, 2023).

Then again, “large borrowal accounts” involve borrowers with complex organisational structures, diversified revenue streams, and sophisticated financial arrangements including derivative hedges, syndication, and cross-border transactions. The concentration risk inherent in these accounts can result in situations where the failure of a single borrower triggers cascading implications throughout the bank’s portfolio. Moreover, the information asymmetry between lenders and large corporate borrowers remains significant, creating principal-agent dynamics that SMAs must address (Adesanya, 2024).

Strategic Role of SMAs in Credit Oversight

SMAs represent institutional innovations designed to address market failures and regulatory gaps in credit oversight. Their key mandate includes providing independent, professional assessment of credit quality, borrower financial soundness, and adherence to loan covenants across large account portfolios. This mandate differentiates SMAs from internal bank credit functions. SMA functions offer independent verification of internal credit assessments, reducing information asymmetry that might otherwise permit gaming of risk metrics or selective presentation of borrower information. This is because SMA personnel possess superior technical expertise in operational evaluation and financial analysis than that of average internal credit staff (Tolulope & Opeyemi, 2024). Additionally,

ASM frameworks ensure systematic application of standardised monitoring protocols across heterogeneous borrower populations, reducing subjective variations in assessment quality.

CMAs contribute immensely to credit monitoring with their expertise in financial analysis and forensic accounting techniques. They possess expertise in identifying irregularities in financial statements, examining accounting quality, and interpreting underlying economic reality masked by accounting presentations (Dave & Patel, 2023). Additionally, they possess advanced analytical capabilities, including predictive modelling that enhances early warning signals for credit deterioration. They identify creative/manipulative accounting practices that might otherwise obscure deteriorating financial conditions. CMAs can systematically benchmark borrower financial metrics against industry norms and historical performance trajectories.

Mechanisms for Enhancing Credit Discipline

Large borrowal account monitoring demands rigorous assessment of borrower industrial dynamics, macroeconomic sensitivity, working capital management, and strategic positioning within value chains (Boutchaktchiev, 2023). Furthermore, integration of CMA expertise into credit risk assessment provides systematic frameworks for examining financial statement quality and underlying economic performance. They employ artificial intelligence (AI) techniques and machine learning (ML) algorithms to detect subtle patterns in financial data that traditional manual analysis might overlook (Tolulope & Opeyemi, 2024). These technological advances, combined with professional accounting expertise, provide monitoring systems capable of identifying borrower vulnerability at earlier stages, enabling proactive intervention before acute distress manifestation (Bhushan & Santhosh, 2025).

Modern credit discipline frameworks focus on continuous monitoring rather than episodic review cycles. Real-time monitoring systems permit identification of behavioural changes, covenant violations, and deteriorating financial metrics, showing elevated distress probability at earlier stages than traditional quarterly or half-yearly

review systems (George et al., 2025). Integration of CMA expertise within real-time monitoring systems ensures capacity for immediate interpretation of financial anomalies, distinction between temporary fluctuations and structural deterioration, and quick/rapid communication to credit decision-makers. Notably, banks having systematised real-time monitoring report substantial improvements, including reduced duration of NPL periods, quicker recognition of emerging problems, and augmented capacity for borrower communication and remediation support.

Digital Transformation in Credit Monitoring

Recent technological advances, including Robotic Process Automation (RPA), have revolutionised accuracy and efficiency within credit monitoring functions (Jamithireddy, 2025). RPA systems automate routine transaction matching, covenant validation, dunning cycle initiation, and discrepancy flagging, thereby enabling professionals to focus on complex judgment-requiring tasks. A study reveals that implementation of RPA frameworks in accounts receivable and credit monitoring contexts has shown substantial operational improvements: 61% reduction in reconciliation exceptions, 49% increase in matching accuracy, and 2.3 times acceleration of dunning cycles for large overdue accounts (Jamithireddy, 2025). These operational efficiencies translate directly into improved credit discipline and more reliable identification of payment irregularities.

AI and ML methodologies have transmuted credit risk assessment and monitoring capabilities. Advanced ML models, trained on comprehensive historical datasets, ensure superior predictive accuracy in identifying borrowers at elevated default risk. These models process vast arrays of variables simultaneously, identify subtle patterns and interaction effects that manual analysis might overlook. Furthermore, blockchain-based credit platforms ensure real-time verification of borrower compliance with financial covenants through automated data feeds from borrower accounting systems, reducing information lag and increasing confidence in covenant compliance status.

Implementation Frameworks for Large Borrowal Account Monitoring

Effective implementation of SMAs necessitates appropriate governance structures, institutional positioning, and professional staffing. Organisations implementing large borrowal account monitoring frameworks must establish clear authority relationships between monitoring entities and credit decision-making functions, and design incentive structures aligning professional staff interests with institutional credit discipline objectives (Al-Farsi, 2020). Governance structures for large borrowal account monitoring should include audit committee oversight, regular reporting to board-level risk committees, and systematic documentation of monitoring conclusions and recommendations. Furthermore, regular stress testing and scenario analysis constitute critical governance functions, allowing identification of portfolio vulnerabilities under adverse macroeconomic scenarios or borrower-specific distress situations.

Implementation of sophisticated monitoring frameworks needs personnel with advanced technical capabilities combining credit analysis expertise, accounting knowledge, financial modelling proficiency, and technological fluency. Therefore, organisations should prioritise the recruitment of professionals, including CMAs, certified public accountants, and financial analysts. Moreover, continuous professional development programs must address emerging technologies, regulatory innovations, and evolving best practices in credit monitoring and risk management.

Empirical evidence reveals that banking companies implementing integrated monitoring systems combining SMA frameworks, CMA expertise, and digital tools report material performance improvements. Particularly, reductions in NPL ratios ranging from 150-250 basis points within 18-24 months are consistent with findings reported by Nsabimana (2023) who found significant asset quality improvements in banking companies adopting structured credit risk management frameworks. In the same way, George et al. (2025) show that the banking companies employing continuous monitoring and independent oversight mechanisms establish faster problem recognition and improved recovery outcomes.

Compared to traditional episodic monitoring models, integrated SMA-led frameworks demonstrate prediction accuracy exceeding 80% for 12-month default identification (Gayathri, 2025) highlighting their superior analytical capabilities. These comparative insights support the argument that professionally managed monitoring systems considerably outperform conventional internal credit review mechanisms.

Challenges and Critical Success Factors

Despite several benefits, banks that implement large borrowal account monitoring systems face major implementation challenges, including technology infrastructure requirements, change management resistance, staff recruitment and retention difficulties, and substantial capital requirements. Notably, technology integration challenges prove acute in banks with legacy systems lacking interoperability, requiring substantial IT investment and business process redesign (Xu, 2025). Moreover, data quality and system integration constitute critical implementation barriers. Effective monitoring systems require real-time access to complete borrower financial data, often requiring system changes within borrower accounting infrastructure. Security, privacy, and regulatory compliance concerns regarding data sharing require sophisticated contractual arrangements and governance frameworks.

Nevertheless, the successful implementation of large borrowal account monitoring systems depends upon many critical factors: appropriate technology infrastructure investment, sustained senior management commitment, recruitment of qualified professional staff, establishment of clear governance structures, and development of an organisational culture prioritising credit discipline. Furthermore, banks must establish performance metrics for monitoring systems themselves, regularly validating monitoring effectiveness and identifying improvement opportunities (Anestiwati et al., 2025).

Suggestions and Conclusion

Effective credit discipline in large borrowal accounts denotes a non-discretionary requirement for bank profitability and stability. The strategic

involvement of SMAs and CMAs introduces professional expertise, systematic rigour, and technological sophistication that materially enhance credit risk assessment and monitoring effectiveness.

In light of the above, the following suggestions are offered: (i) Establish specialised monitoring functions within banks managing large borrowal account concentrations, and position these functions with appropriate independence and authority within credit risk governance structures; (ii) Recruit professional accounting and analytical expertise with relevant experience in credit analysis and risk assessment; (iii) Implement integrated technology infrastructure combining real-time monitoring systems, AI applications, and RPA to enhance analytical sophistication and monitoring efficiency; (iv) Establish comprehensive governance frameworks integrating clear accountability, regular stress testing, board-level reporting, and documented monitoring protocols; (v) Develop continuous professional development programs, regarding emerging technologies, regulatory requirements, and credit monitoring best practices; and (vi) Regular validation of monitoring system effectiveness through systematic assessment of prediction accuracy, timeliness of risk identification, and appropriateness of intervention recommendations.

The findings of this study show that structured SMA-led monitoring frameworks, when integrated with CMA expertise and digital analytics, ensure measurable enhancements in credit discipline for large borrowal accounts. Evidence analysed in this paper signifies tangible outcomes, including considerable reductions in NPL ratios, improved early warning accuracy, faster remediation timelines, and enhanced recovery ratios. Banking companies adopting such frameworks report reductions in asset quality deterioration risk and greater transparency in borrower performance assessment. These findings affirm that SMAs, supported by CMAs, play a vital strategic role not merely as compliance mechanisms but as value-adding risk governance instruments. Accordingly, banking companies seeking to strengthen balance sheet resilience and long-term profitability should institutionalise SMA frameworks as a core component of their credit risk management architecture. **MA**

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Academic Corner!!!



Our heartiest congratulations to CMA Shiba Prasad Padhi, qualified for the award of the Ph.D. Degree in Business Management, in the faculty of Commerce & Management on doctoral thesis titled "Efficacy of Insurance Claims Management: A Comparative Study on Private and Public Sector General Insurance Companies Operating in Odisha" evaluated and approved by Prof. Tarak Nath Sahu, Head, Dept. of Business Administration, Vidyasagar University, Medinipur and Prof. B D Mishra, Professor and Head, Deptt. of Management Studies, Guru Ghasidas Vishwavidyalaya, Bilaspur. CMA Padhi carried out research under the guidance of Prof. Bhagaban Das, Former Professor, P.G Dept. of Business Management, Fakir Mohan University and co-guidance of Dr. Sk. Gayasudin, Former Reader in Commerce, Siddheswar College, Amarda Road, Balasore.

We wish CMA Shiba Prasad Padhi, the very best for all his future endeavours.

Interview



CMA Rajesh Kumar Dwivedi

Director Finance and CFO

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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 ICAI.

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 ICAI (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**

THE DIGITAL RISK PARADOX: A MANAGEMENT PUZZLE IN INDIAN BANKING

Why Digitization Amplifies Operational and Systemic Risk



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Introduction: Digitization and the Risk Puzzle in Indian Banking

Digitization has fundamentally transformed the Indian banking system. Over the past decade, banks have invested heavily in core banking modernization, digital delivery channels, cloud infrastructure, data analytics and integration with India's digital public infrastructure. Platforms such as the Unified Payments Interface (UPI), Immediate Payment Service (IMPS), Aadhaar-enabled payment systems and account aggregators now support transaction volumes and customer-reach unprecedented in scale and speed.

From a management accounting and control perspective, digitization promised structural improvement. Automated workflows were expected to reduce human error, real-time data availability was assumed to enhance managerial oversight and standardized platforms were believed to strengthen internal controls. Regulatory direction reinforced this optimism. The Reserve Bank of India (RBI)

Abstract

Indian banks have digitized rapidly to enhance efficiency, financial inclusion and competitiveness. Paradoxically, digitization has intensified operational, cyber and systemic risk. This article frames the Digital Risk Paradox as a management puzzle in Indian banking and resolves it through operational risk economics, digital architecture theory and governance frameworks. Using a case-based approach grounded in RBI and Basel norms, the article offers actionable managerial and management accounting insights for building digitally resilient banks.

has consistently emphasized technology-driven efficiency, financial inclusion and improved governance, while Basel III norms underline stronger operational risk management and capital adequacy.

However, observed outcomes increasingly diverge from these expectations. Indian banks have experienced repeated digital outages, payment system disruptions, cybersecurity incidents and compliance failures directly linked to automated systems. Payment failures have simultaneously affected millions of customers, attracting regulatory scrutiny and reputational damage. Rather than dispersing operational risk, digitization appears to have concentrated it.

This contradiction gives rise to a central management accounting puzzle: Why does digitization, designed to reduce operational risk

and improve control, frequently amplify operational and systemic risk in Indian banks?

Case Context: Digitization at Scale in Indian Banking

Bharat Bank initiated a multi-year digitization program aligned with RBI priorities for digital banking and financial inclusion. The program focused on four objectives: reducing cost-to-serve, expanding digital customer acquisition, strengthening regulatory compliance and improving enterprise-wide risk visibility. Customer interactions were migrated to mobile and internet platforms, UPI and real-time payment systems were integrated, retail credit decisioning was automated and centralized dashboards were implemented for financial, operational and risk reporting. Initial outcomes were favorable. Transaction volumes increased significantly while unit processing costs declined. Customer onboarding accelerated, particularly in semi-urban and rural markets. Management accounting reports became faster and more granular, enabling near real-time tracking of volumes, margins and channel performance.

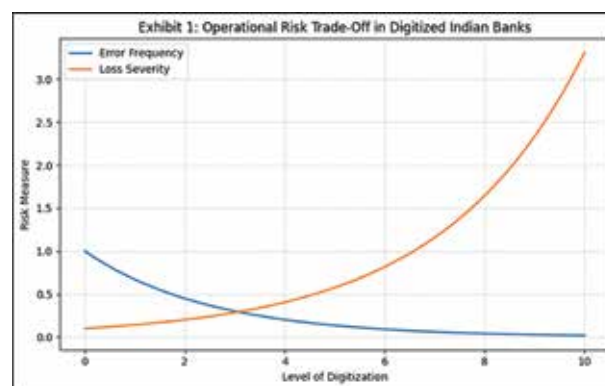
Over time, however, vulnerabilities became evident. A routine software update disrupted payment services at a national level. Heavy reliance on third-party fintech partners introduced cybersecurity and data privacy risks, attracting regulatory attention under RBI's outsourcing and IT governance guidelines. Automated compliance systems generated high volumes of alerts but failed to prioritize material risks, forcing manual intervention at scale. During peak transaction periods, internal controls weakened rather than strengthened. Bharat Bank's experience reflects a broader industry pattern. Digitization improves efficiency during stable conditions but magnifies fragility during stress, revealing the **Digital Risk Paradox** at the core of modern Indian banking.

Theoretical Resolution of the Digital Risk Paradox

1. Operational Risk Economics and Digital Architecture

Operational risk economics distinguishes

between the **frequency** and **severity** of loss events. Digitization reshapes this relationship. Automation and standardization reduce the frequency of routine errors but substantially increase loss severity when failures occur. In Indian banking, centralized digital platforms process millions of transactions per hour. Manual failures tend to be localized and incremental. Digital failures, by contrast, are immediate, widespread and reputationally severe. From a management accounting perspective, digitization shifts operational risk toward low-probability, high-impact tail events. Traditional cost analysis, variance reporting and efficiency metrics are poorly suited to capture such risk. Digital architecture theory explains this shift. Many Indian banks digitize by layering new applications over legacy core systems rather than redesigning system architecture. This results in tightly coupled systems with opaque interdependencies. Apparent efficiency improves, but systemic fragility increases.



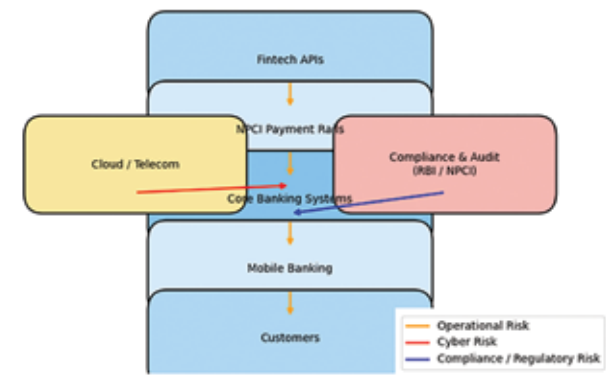
[Conceptual illustration of declining error frequency and rising loss severity with increased digital centralization]

2. Risk Propagation in Interconnected Digital Ecosystems

Indian banks operate within a highly interconnected digital ecosystem comprising NPCI payment rails, cloud service providers, fintech APIs, telecom networks and regulatory reporting platforms. Digitization intensifies these interconnections. Systems theory suggests that tightly coupled networks are prone to cascading failures. A localized disruption—such as an API malfunction or cloud service latency—can

propagate rapidly across institutions. Transaction speeds far exceed the speed of managerial escalation, rendering traditional approval-based controls ineffective. For management accountants, this creates a measurement problem. Risk propagation costs are systemic rather than activity-specific. Losses materialize suddenly and disproportionately, distorting performance evaluation and obscuring accountability.

Exhibit 2: Risk Propagation Pathways in Indian Digital Banking
Simplified view showing cascading risks across digital ecosystem



[Cascading disruptions across interconnected digital banking components]

3. Governance Gaps and the Limits of the Three Lines of Defense

The traditional Three Lines of Defense model assumes stable processes and clear functional boundaries. Digitization challenges both assumptions. In practice, digital initiatives in Indian banks are often business-led, technology-executed and risk-reviewed after implementation. Risk and audit functions frequently lack visibility into architectural design decisions, while automated controls generate extensive data without sufficient interpretive capacity. Accountability for digital failures becomes diffused across functions. Although RBI guidelines emphasize integrated IT governance and oversight of outsourced service providers, execution often lags strategic ambition. Consequently, many digital failures reflect governance weaknesses rather than technological shortcomings.

Institutional and Behavioural Dimensions of Digital Risk in Indian Banks

Beyond technology and governance, digital risk

in Indian banking is shaped by institutional and behavioural factors that are often underappreciated in management accounting systems. Public sector banks, in particular, operate under legacy organizational structures, hierarchical decision-making and compliance-driven cultures. Digitization is frequently layered onto these structures without corresponding changes in accountability, skill sets, or risk ownership. At Bharat Bank, digital initiatives were evaluated primarily on volume growth and cost reduction targets. Line managers perceived technology risk as a centralized function rather than a shared operational responsibility. This behavioural separation weakened risk ownership at the front line, despite RBI's emphasis on business accountability for operational risk.

Management accounting systems inadvertently reinforce this behaviour. Budgets reward visible efficiency gains, while digital risk exposures remain largely off-balance-sheet until failure occurs. As a result, managers rationally prioritize short-term performance metrics over long-term resilience. This institutional misalignment explains why repeated regulatory advisories on operational resilience often fail to translate into operational change. Without embedding risk-adjusted incentives and behavioural accountability into performance measurement systems, digitization will continue to amplify latent vulnerabilities.

CMA's as Risk Managers in the Digital Banking Paradox

1. CMAs as Architects of Risk-Adjusted Measurement Systems

In digitized banking environments, efficiency gains achieved through scale and automation often mask growing operational fragility. CMAs are uniquely positioned to address this imbalance by embedding risk-adjusted logic into management accounting frameworks. At Bharat Bank, performance dashboards emphasized transaction volumes and cost efficiency, while operational loss severity, outage impact and compliance breaches were treated as peripheral indicators. CMAs can correct this distortion by integrating operational risk metrics directly into product, channel and platform profitability analysis. This approach aligns with

RBI's emphasis on enterprise-wide risk oversight and ensures that digital returns are assessed on a risk-adjusted, rather than purely volume-driven, basis.

2. CMAs as Integrators across the Three Lines of Defense

Digitization blurs traditional boundaries between business operations, technology and risk management. While the Three Lines of Defense framework remains relevant, its effectiveness in digital banking depends on continuous integration rather than sequential review. CMAs, positioned at the intersection of finance, operations and governance, can serve as integrators across these lines. By translating technical risk indicators—such as system downtime, control overrides, or third-party dependencies—into financial and strategic implications, CMAs enable senior management and boards to make informed decisions.

3. CMAs and Regulatory Alignment in Digital Risk Governance

Indian banking regulation places growing emphasis on operational resilience, IT governance and outsourcing risk. RBI guidelines implicitly rely on robust internal measurement and reporting systems to ensure effective implementation. By systematically capturing the costs of service disruptions, regulatory breaches and remediation efforts, CMAs make the economic consequences of weak digital governance visible to decision-makers. In the Bharat Bank case, regulatory scrutiny intensified only after major incidents occurred. A CMA-led framework would surface early warning signals through cost trends, control exceptions and risk concentration indicators, enabling proactive intervention.

4. CMAs as Stewards of Digital Resilience

CMAs are now active stewards of digital resilience. Their measurement choices influence how banks balance growth with stability and innovation with control. By embedding risk-adjusted thinking into digital investment appraisal, performance evaluation and governance reporting,

CMAs help shift the focus from short-term efficiency to long-term resilience.

Why Digitization Concentrates Risk in Indian Banks

The Digital Risk Paradox arises because digitization concentrates risk through **scale, speed and standardization**. Indian banks operate at exceptional transaction volumes, magnifying the impact of any disruption. Standardized processes remove variability but also eliminate buffers that historically absorbed shocks. Performance management systems reinforce this concentration. Digital initiatives are typically evaluated using growth metrics, transaction volumes and cost efficiency indicators. Risk-adjusted measures—such as operational loss severity, outage duration, system resilience and regulatory breaches—receive comparatively limited emphasis, despite Basel III's focus on operational risk capital. As a result, digitization enhances visible efficiency while embedding latent fragility.

Managerial Implications: Actionable Insights and Resolution Models

1. Resolution Model 1: Modular Digital Architecture for Risk Containment

Indian banks must transition from monolithic digital platforms to **modular architectures** that contain failures. Bharat Bank's experience illustrates how tightly integrated systems allow localized defects to cascade across the enterprise. Modularity enables functional isolation across payments, onboarding, lending and reporting systems. From a management accounting perspective, modular design supports clearer cost attribution, improved risk-adjusted capital allocation and more disciplined investment appraisal.

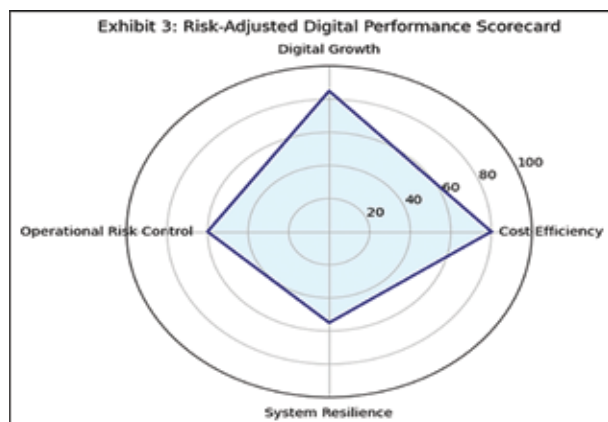
2. Resolution Model 2: Real-Time Operational Risk Sensing

Digitized banking operates continuously, yet risk monitoring often remains periodic. Bharat Bank's delayed detection of system stress highlights this gap. Banks should embed **real-time operational risk indicators** within digital

platforms. Analytics-driven monitoring of transaction anomalies, system latency and third-party dependencies can enable early intervention. Management accountants must shift from retrospective variance analysis to **continuous risk-integrated reporting**.

3. Resolution Model 3: Risk-Adjusted Digital Performance Measurement

Digital success in Indian banking is frequently assessed using adoption and transaction growth metrics. These must be complemented by **risk-adjusted performance indicators**. Operational loss experience, outage frequency, customer impact and compliance failures should be explicitly incorporated into digital ROI assessments. Executive incentives should reward resilience and stability, consistent with RBI expectations and Basel III principles.



[Balanced framework integrating growth, cost efficiency, operational risk and resilience]

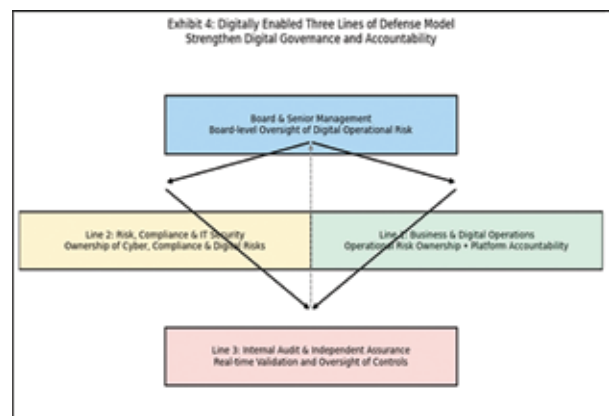
4. Resolution Model 4: Design-Stage Integration of Cyber and Operational Risk

Cybersecurity and operational risk must be addressed at the design stage of digital initiatives. Security-by-design and privacy-by-design principles are essential, particularly under RBI's data localization and third-party risk guidelines. Management accounting plays a critical role by classifying risk mitigation investments as **value-preserving capital expenditures** rather than discretionary costs, ensuring sustained funding

and accountability.

5. Resolution Model 5: Reinterpreting the Three Lines of Defense for Digital Banking

The Three Lines of Defense must be adapted for continuous, technology-driven operations. Business, technology, risk and audit functions should operate on shared, real-time data rather than sequential reviews. Clear ownership of digital risk must be established, supported by board-level oversight and transparent reporting mechanisms.



[Integrated 3 Lines of Defense governance framework for continuous digital risk oversight]

Conclusion: From Digital Efficiency to Digital Resilience

The Digital Risk Paradox demonstrates that digitization does not eliminate risk; it redistributes and reshapes it. In Indian banking, where scale, speed and interconnectedness are exceptionally high, this reshaping can amplify systemic vulnerability if not managed deliberately.

For management accountants and banking leaders, the implication is unambiguous. Digitization strategies must be supported by risk-adjusted measurement systems, modular architectures, real-time monitoring and strengthened governance structures. Only through such integration can digitization deliver sustainable value consistent with RBI expectations, Basel III norms and the long-term stability of India's banking system. **MA**

DIGITAL COST GOVERNANCE

A FRAMEWORK FOR AI, BI, RPA, BIM AND DATA-DRIVEN EXCELLENCE

Abstract

Digital Cost Governance (DCG) elevates cost management from retrospective reporting to a proactive, predictive and autonomous decision system by integrating artificial intelligence (AI), business intelligence (BI), robotic process automation (RPA), Building Information Modelling (BIM) 5D, enterprise resource planning (ERP) and Internet of Things (IoT) data. This framework provides real-time visibility, anomaly detection and scenario-based decisions, embedded within robust digital governance. A maturity model and skills roadmap position Cost and Management Accountants (CMAs) as leaders in this transformation, with initial evidence of tangible operating margin improvements in asset- and process-intensive industries.

Introduction

Successive waves of mechanisation, automation, computing and connectivity have reshaped how organisations measure and control costs. Conventional cost systems, built around periodic reports and manual reconciliations, struggle to support real-time, risk-aware decisions. Digital Cost Governance (DCG) responds to this gap by combining digital technologies, integrated data and formal governance mechanisms to create a predictive, intelligence-driven cost ecosystem. Within this paradigm, cost information is captured at source, processed automatically, and analysed through advanced analytics, enabling timely decisions and continuous performance improvement.



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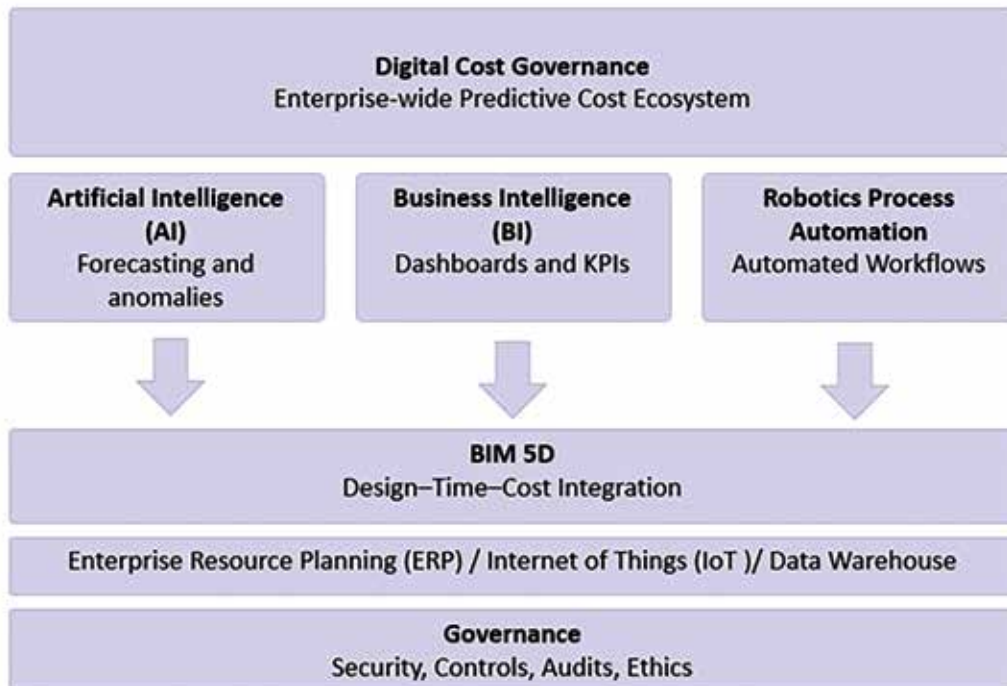
Digital Cost Governance Framework

DCG can be described as an enterprise-wide framework governing how cost-relevant data are captured, processed, analysed and used for decisions through digital technologies. Its design rests on five core pillars:

- ⊙ **AI layer:** Predictive and prescriptive models for cost forecasting, anomaly detection and optimisation.
- ⊙ **BI layer:** Dashboards, scorecards and variance analytics that provide descriptive and diagnostic insight.
- ⊙ **RPA layer:** Automation of routine, rule-based transactions and reconciliations, ensuring standardised, timely data.
- ⊙ **BIM 5D layer:** For project and asset environments, integration of design (3D), time (4D) and cost (5D).
- ⊙ **ERP/IoT data infrastructure:** Transactional and sensor data foundations that act as a single source of truth.

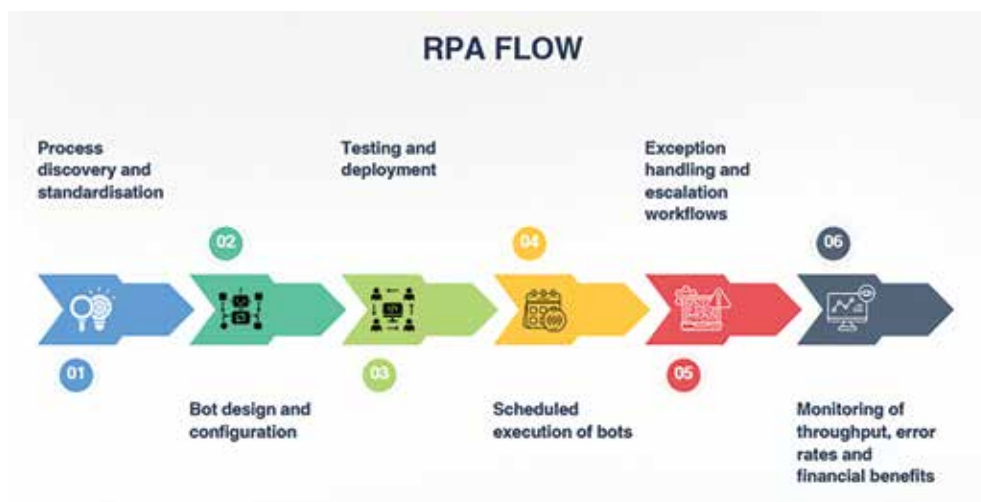
A transversal governance layer spans all pillars, covering security, access control, data quality, model oversight, compliance and audit.

Conceptual Architecture



Robotic Process Automation in Cost Management

RPA acts as a digital workforce for repetitive, rule-based activities in finance and operations. Typical use cases in cost management include invoice capture and validation, purchase order and goods-receipt matching, cost centre reconciliations, routine journal postings and the generation of audit trails. By enforcing standard rules and eliminating manual rekeying, RPA improves data accuracy, cycle times and consistency across systems.



Business Intelligence for Real-Time Visibility

Business intelligence consolidates data from ERP, procurement, project and operational systems into a unified analytical layer. Standardised dimensional models and curated datasets enable CMAs and managers to access dashboards, drill-down reports and self-service analytics. Key capabilities include real-time cost-schedule-performance visibility, variance analysis at multiple levels, supplier and contractor scorecards, productivity indicators and early risk signals.

Artificial Intelligence as Predictive Engine

AI extends BI from descriptive and diagnostic insight to predictive and prescriptive decision support. In a DCG context, AI models can generate forecast-at-completion and cost-to-complete estimates, detect anomalies or fraud in spending patterns, and optimise operating parameters such as energy consumption, asset utilisation and throughput. Natural language processing can support automated contract checks and policy compliance.

Evidence from process and refining sectors indicates that systematic deployment of AI and advanced analytics can reduce unplanned downtime, improve yields and lower energy intensity, leading to measurable improvements in operating margins. When embedded into a governed cost framework, these improvements translate directly into sustainable competitive advantage.

BIM 5D for Design–Time–Cost Integration

For asset-intensive and project-driven organisations, BIM 5D provides a digital representation that connects geometry, schedule and cost data. The 3D representation captures design, the 4D dimension links elements to programme activities, and the 5D dimension associates quantities and cost structures. This

enables automated quantity take-off, bid and scenario simulations, and early clash and risk identification.

When BIM data are integrated with ERP and analytical layers, organisations gain near real-time visibility into budget, commitments and actuals across lifecycle stages. This integration reduces design-related rework, improves forecast accuracy and supports more reliable contingency and risk management

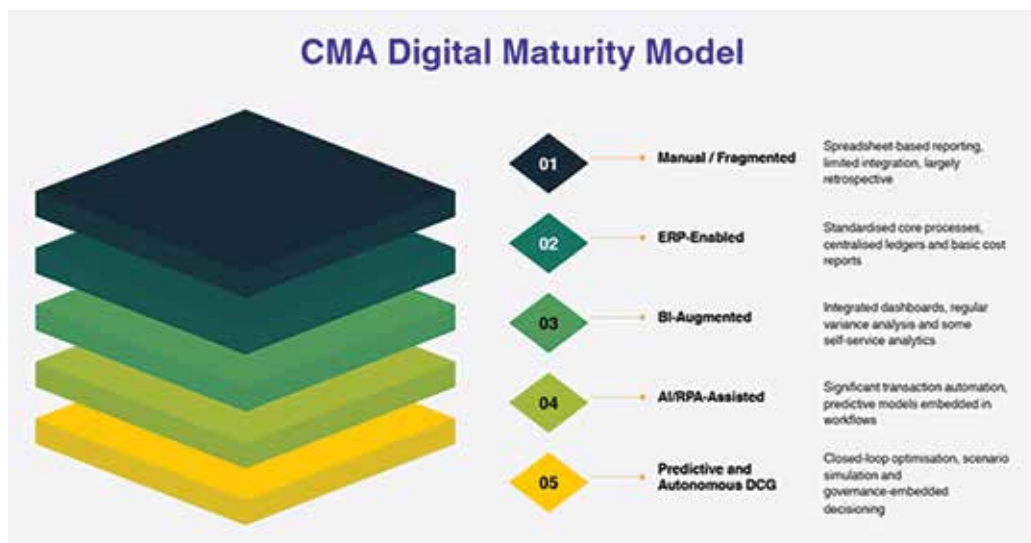
Integrated Digital Ecosystem

The full value of DCG is realised when AI, BI, RPA and BIM operate as an integrated ecosystem. Transactional and sensor data are captured in ERP and IoT platforms, RPA bots standardise and transfer this data into curated stores, BI tools provide accessible views and alerts, and AI models generate forecasts and optimisation recommendations. BIM 5D acts as a digital backbone for projects and assets, synchronised with cost and schedule baselines.

Feedback loops connect outcomes back to models and processes. As new data arrive and performance is observed, models are recalibrated and governance bodies periodically review model behaviour, fairness and business impact. This closed-loop system underpins continuous learning and improvement in cost governance.

CMA Digital Maturity Model

A practical way to track progress is a five-level maturity model for digital cost governance



As organisations advance, the CMA role transitions from cost recorder to analyst, digital strategist and value architect responsible for the design and stewardship of DCG.

Skills Roadmap for CMAs

To lead DCG initiatives, CMAs require both technical and leadership capabilities:

Technical skills:

- ⊙ ERP configuration and costing logic.
- ⊙ Data modelling and analytics (e.g., Power BI, Power Query, relevant scripting).
- ⊙ Understanding of RPA concepts and workflow design.
- ⊙ Familiarity with machine learning applications and interpretation of models.
- ⊙ Ability to read and interpret BIM 5D outputs in relevant sectors.

Leadership and governance skills:

- ⊙ Digital governance design, including roles, policies and controls.
- ⊙ Data-driven decision-making and performance dialogues.
- ⊙ Change management and cross-functional collaboration with IT, operations and risk.
- ⊙ Awareness of AI ethics, fairness, transparency and regulatory expectations.

Governance and Ethical Considerations

As algorithms influence cost allocations, pricing and performance evaluation, DCG must align with recognised AI governance principles. Core themes include human-centric design, fairness and non-discrimination, transparency and explainability, robustness and security, and clear accountability for model-informed decisions. Operationalising these principles requires defined ownership for models, documentation of assumptions and limitations, regular audits and mechanisms for challenging or reviewing algorithmic recommendations.

Conclusion

Digital Cost Governance represents a shift from transactional, backward-looking cost accounting to an integrated, predictive discipline embedded in the digital core of the enterprise. By orchestrating AI, BI, RPA, BIM, ERP and IoT under a robust governance umbrella, organisations can achieve real-time cost visibility, anticipate risks and systematically optimise performance. CMAs, equipped with enhanced digital and leadership capabilities, are uniquely positioned to design, implement and sustain such systems and to shape the future of cost-driven value creation. **MA**

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REVIEW OF INDIAN ECONOMY FROM RECENT COP30 & G20 SUMMITS

Abstract

Recent multilateral events like COP30 and the G20 summit was spoiled by dissent and disagreements on major global issues, but India showed to the world the need for sustained sustainable growth and values of a shared and better future of the world.

Despite the inconclusive phasing out of the fossil fuel, India has gradually enhanced its commitments as well as capabilities in the RE segment albeit with grid shortcomings as the main reason for the gross underutilization of the RE plants. It needs to resolve these through RTC projects and use of various pro green emerging technologies for reducing pollution including that from hard to abate sectors.

On the global trade front recent anti globalization policies of some of the nations has forced India to probe for new supply chain sources as well as new export destinations but the efficacy of these efforts depends on quality of Indian products and services.

Introduction:

Based on the latest COP 30 at Brazil and G20 summit in South Africa, India's role in the new and emerging global economy has assumed greater and wider global significance as it aims to balance its national growth including exports with sustained and sustainable development while advocating shared and cleaner Greater Global Good.

While the future of world's climate actions mainly depends on densely populated nations like India, China, USA and Europe, the risk on global supply chains due to protectionist and restrictive policies of some of the major nations has forced India to



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explore global alternatives both for securing supply chains and for export diversification and convince the world the benefits of a shared global future rather than competitive posturing.

A) COP 30 & Its Impact on India:

Annual climate meet at Brazil this year again saw some countries lobbying for end of fossil fuel but once again the fossil lobby seemed to prevail. **While 19 countries (including India, Brazil, & Japan) committed to raise the use of sustainable energy at least 4 times by 2035 from the 2024 levels (Ref#1)**, the major objective of deciding the world fossil phase out remained inconclusive with the UN body seeking detailed data for deliberations on same by the next summit in spite of protest from over 30 nations (mainly UK, Germany and France) insisting for conclusion of same in the COP30 meeting (Ref#2). However the meet concluded with noting the **need for more global funding for climate action, agreements on Just transition and import of enhanced adaptation finance (Ref#3)**.

Indian economy Under Climate Action: Despite the substantial advancements on RE, India's economy is suffering due to lower labor productivity and higher risk to its public health due to climate deterioration (Ref#4). Yet it remains undecided on fossil fuel phase out probably due to unreliable/grid incompatible nature of its RE assets (Ref#5),

also noted as a major global constraint for RE in the recent IEA report (Ref#6). However, Indian resolve for effective transition remains intact as per GOI in the recent COP30 meet (Ref#7).

On the export fronts, developments like the Europe's Carbon Border Adjustment Mechanism (CBAM), applicable from 1st January 2026, has forced Indian Steel manufacturers (Ref #8) to explore alternate export destinations and greener manufacturing technologies in the longer run to remain globally relevant as Europe is now the major steel export market for India. CBAM is a major risk for not only Indian steel but also cement and engineering goods.

On the domestic front also, to mitigate the impact of various kinds of pollution India need emerging technologies like greener version of fossil fuel (Ref#9) and better processing technology for agriculture (Ref#10) as agriculture and population density remains high priority for Indian plans.

Though energy security and options are cardinal for a growing economy like India, it cannot overlook the importance of sustained energy transition both for the future environment and economic needs of the nation especially to solve its current fossil energy import burden. Perhaps the better utilization of RE assets, crucially linked with their Round the Clock (RTC) and Battery storage (BESS) projects, will help reduce fossil energy.

B) G20 Summit & India's Expanding World Trade:

For last few years G20 had been one of the most impactful platform of multilateralism, but unfortunately the recent summit at South Africa saw boycott and fractured mandate, thereby raising serious doubts on very future of G20 if such attitudes persisted.(Ref#11).

While another report (Ref#12) indicates that such narrow policies will indirectly benefit Asian giants (like China, Japan, Korea and India) as Asia is projected to remain the biggest growth centre in the current century.

Incidentally the recent tariff war and counter measures impacting supply chain of industries mainly pharmaceuticals (Ref#13), Automobiles, RE products (Ref#14) has seriously impacted global

economy.

Impact on India & India's Responses:

Despite GOI efforts to solve supply chain constraints, many Indian industries still await actual ground breakthroughs (Ref#15) forcing to search for alternative global partners and also possible new material/technologies.

India's current export strategy can wait for well negotiated trade deals based on the strength of robust domestic economy (Ref#16), while exploring alternate destinations/ new products for expanding the export profile (Ref#17). This seems to already productive with more and more collaborations with new nations including Australia, UK, Italy etc. Exporters are also finding new global markets especially for seafood, garments and jewellery etc.

India also seeks to **expand its service exports, already seeing recent growth**, including engineering services in African nations (Ref#18) apart from construction services to Australia, which not only promises to expand Indian economy but **also contribute to development of the third world nations awaiting critical technologies.**

It has also resolved to strengthen the old tie ups with willing nations like Russia including efforts to fast track the pending Eurasian Economic Cooperation Agreement (Ref#19), enhance bilateral investments and raise Indo- Russia trade to 100 billion by 2030 including new products like autos, electronics etc, settlement in national currencies and bettering balance of trade.

The key for all these expansions apart from the GOI initiatives remains the improved capacity and capabilities of the Indian companies (Ref#20) based on quality and excellence. The Indian industries can no longer expect insulations from government for mitigating the shocks of world trade but develop qualitatively in line with emerging demands of wider global markets.

Conclusions:

On the climate action side, India still needs to effectively increase the RE utilization, though the resolve to quadruple it from the 2025 levels by 2035 gives hopes for substantial reductions in the fossil fuel usage. However, it needs to substantially

evolve alternatives technologies and materials to tide over the present supply chain constraints impeding the RE sector. On the RE consumption side encouraging RTC plants may partly solve the grid constraints, while micro solar etc. may be encouraged for wider adoption by domestic consumers beyond the current roof top for at least partly reducing the per capita fossil fueled power consumption.

While Tariff and retaliatory stance has impacted strategic industries and India started to explore alternative- markets, materials, sourcing- the long term policies should aim proactively for self sustained supply chains of all such key industries. While encouraging make in India capabilities including critical inputs for these manufacturing, India should substantially reduce its import dependence which has greatly eroded the national currency.

As India aims to impress the world to understand the utility of Global Cooperation in- stead of Global competition, the world should sooner understand the synergies/benefits of collaboration and coexistence mode as the current phase of anti global tendencies may not serve any nation in long run.

Indian economy needs to plan for integrated and long run manner to converge the energy transition and import substitution as necessitated by situations and also to mitigate the risk of any such future global trade shocks on our economy. MA

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Obituary



CMA Ashok Kumar Ratilal Patel

With profound grief and heavy hearts, the Institute and its Members announce the passing of our beloved Member, CMA Ashok Kumar Ratilal Patel (Village: Bawla), who left for his heavenly abode on Saturday, December 13, 2025 at the age of 67 in Ahmedabad.

We pray to the Almighty to grant his soul eternal peace.

THE INSOLVENCY AND BANKRUPTCY CODE, 2016: A COMPREHENSIVE ANALYSIS WITH PRACTICAL INSIGHTS

Abstract

The Insolvency and Bankruptcy Code (IBC), 2016, has been a cornerstone reform in India's financial and corporate legal system. This article critically examines its evolution, highlighting its alignment with global standards, such as the adoption of creditor-in-control models and moves toward cross-border insolvency frameworks. It explores key judicial precedents that have shaped the interpretation and application of the Code, such as Essar Steel, Swiss Ribbons, and Jet Airways. The article also addresses real-world challenges, including procedural delays, stakeholder concerns, and uneven recovery rates. Drawing insights from regulators, courts, and insolvency professionals, the paper proposes actionable reforms to enhance the Code's effectiveness and global credibility. Through a data-backed analysis and stakeholder-driven perspective, the article emphasizes the need for institutional strengthening, faster resolution, and international harmonization to realize the full potential of IBC.

Introduction

The Insolvency and Bankruptcy Code (IBC), 2016 marked a watershed moment in India's financial legislation. It aimed to streamline and consolidate existing insolvency laws, create a time-bound resolution process, and improve recovery rates. This article evaluates the framework, real-world impact, challenges, and evolving nature of IBC while incorporating practical observations and suggestions.



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Global Alignment and Standards:

The IBC has often been praised for aligning India's insolvency framework with global standards. However, the article lacked specific examples of how these alignments are achieved. Globally recognized practices such as cross-border insolvency (based on UNCITRAL Model Law), strict adherence to timelines, and creditor-in-control models have been adopted or are under active consideration. The development of a cross-border insolvency framework in India would further elevate its global standing.

Judicial Precedents and Case Studies:

The original article mentioned the importance of judicial precedents but did not elaborate. Notable cases such as:

- ⦿ **Essar Steel India Ltd.** – This landmark case clarified the primacy of financial creditors under Section 30(4).
- ⦿ **Swiss Ribbons v. Union of India** – Upheld the constitutional validity of the IBC and reinforced its creditor-centric approach.

- ⊙ **Jet Airways** – Brought up issues related to cross-border insolvency and airline sector complications.

These cases highlight the evolving jurisprudence and how courts have shaped practical implementation.

Procedural Challenges and Deeper Analysis:

While procedural delays and creditor concerns were identified, deeper analysis is vital. Delays are often caused by:

- ⊙ Overburdened National Company Law Tribunal (NCLT) benches
- ⊙ Tactical litigation by promoters
- ⊙ Limited number of insolvency professionals

Addressing these bottlenecks through institutional reforms, digitisation of case management, and increasing NCLT capacity will strengthen IBC.

Stakeholder Perspectives:

The article previously missed insights from key stakeholders:

- ⊙ Creditors seek faster resolution and maximum recovery, often frustrated by litigation and haircuts.
- ⊙ Debtors view IBC as both a threat and an opportunity to restructure meaningfully.
- ⊙ Insolvency Professionals (IPs) face pressure managing timelines and stakeholder expectations.

Incorporating stakeholder surveys or expert interviews would provide real-world depth.

Improved Recovery Rates – With Supporting Data:

The original article mentions improved recoveries but lacked data. As per IBBI's 2023 report:

- ⊙ Average recovery rate through IBC stands at ~31%, compared to 20% under SARFAESI and 14% under DRT mechanisms.
- ⊙ Total admitted claims: ₹9.3 lakh crore; Realized: ₹2.85 lakh crore.

Though better than older regimes, recoveries vary widely depending on sector and case complexity.

Behavioral Impact and Investor Participation:

IBC has triggered a significant behavioural change:

- ⊙ Borrowers now treat default seriously due to the threat of losing control.
- ⊙ Timely repayments and voluntary settlements before admission have increased.

Measuring This Change:

Pre-packaged insolvency schemes and increased one-time settlements outside NCLT reflect this impact.

Investor Participation:

The IBC ecosystem has attracted global investors, ARC participation, and private equity players, enhancing competition during resolution processes.

Conclusion:

While IBC has laid a strong foundation, further reforms are necessary. Improving infrastructure, addressing delays, ensuring consistency in adjudication, and embracing cross-border frameworks will help IBC mature. Inclusion of practical insights, stakeholder voices, and case references makes the understanding of IBC more complete and applicable to evolving Indian and global economic landscapes. **MA**

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TECHNOLOGY DRIVEN COST MANAGEMENT FOR OPERATIONAL EFFICIENCY - LINKING INDUSTRY 4.0

Abstract

The emergence of Industry 4.0 marks a fundamental shift in how organizations manage costs and drive operational efficiency. Traditional cost management approaches, which relied heavily on reactive cost-cutting measures such as budget controls, manpower reduction, and expense minimization, are increasingly inadequate in a fast-paced, technology-driven business environment. Industry 4.0 introduces a new paradigm where advanced digital technologies—including the Internet of Things (IoT), Big Data & Analytics, Artificial Intelligence (AI), Machine Learning (ML), Robotics & Automation, Cloud Computing, Cybersecurity, and Augmented and Virtual Reality (AR/VR)—are leveraged to proactively optimize resources, reduce waste, and enhance productivity.

IoT enables real-time visibility, predictive maintenance, and energy optimization, while big data analytics uncovers hidden inefficiencies and supports evidence-based decision-making. AI and ML extend these benefits by automating processes, improving demand forecasting, and enhancing quality control. Robotics and automation improve speed, precision, and safety, lowering rework and downtime costs. Cloud computing provides scalability, agility, and cost-efficient IT infrastructure, while cybersecurity protects organizations from financial, operational, and reputational risks. AR and VR further enhance training effectiveness, product design, maintenance, and customer engagement at lower costs.

Collectively, these Industry 4.0 technologies transform cost management from a defensive function into a strategic enabler, fostering operational resilience, sustainability, and long-term competitive advantage in an increasingly complex and uncertain business environment.



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The Industrial Revolution fundamentally altered the way societies worked, produced

goods, and organized economic activity. Each phase of industrial transformation not only reshaped production systems but also redefined how organizations managed costs and efficiency.

The **First Industrial Revolution** in the late 18th century introduced mechanization powered by steam engines. This transition from manual labor to machine-based production increased output and reduced unit costs, particularly in textile manufacturing, while driving urbanization and industrial growth.

The **Second Industrial Revolution**, beginning in the late 19th century, was characterized by electricity, mass production, and assembly

lines. Standardization and economies of scale significantly lowered production costs, improved productivity, and raised living standards. Cost management during this era focused on volume-driven efficiencies and process standardization.

The **Third Industrial Revolution**, also known as the Digital Revolution, emerged in the late 20th century with the rise of electronics, computers, automation, and the internet. This phase introduced information systems, enterprise software, and global connectivity, enabling organizations to improve coordination, reduce transaction costs, and optimize supply chains.

Today, the world stands at the threshold of the **Fourth Industrial Revolution (Industry 4.0)**. Unlike earlier revolutions, Industry 4.0 integrates the physical, digital, and biological worlds into intelligent, interconnected ecosystems. Technologies such as AI, IoT, robotics, cloud computing, big data analytics, and immersive technologies enable machines, systems, and humans to interact in real time.

From a cost management perspective, Industry 4.0 represents a paradigm shift. Cost control is no longer reactive or limited to accounting exercises; instead, it is predictive, technology-driven, and strategically aligned with organizational goals. The following sections explore how key Industry 4.0 technologies contribute to operational efficiency and sustainable cost management.

Internet of Things (IoT)

The Internet of Things (IoT) connects physical assets—machines, sensors, equipment, vehicles, and logistics networks—through digital interfaces, enabling real-time data exchange and control. This continuous data flow plays a vital role in technology-driven cost management by improving operational efficiency, reducing wastage, and supporting informed decision-making.

IoT-based energy management systems monitor electricity, water, and gas consumption in real time. By automatically optimizing equipment usage and regulating HVAC systems, organizations can significantly lower utility costs while supporting sustainability initiatives. Predictive maintenance

is another critical benefit of IoT adoption. Sensors track machine parameters such as vibration, temperature, and pressure to detect early signs of failure, allowing maintenance teams to address issues before breakdowns occur. This reduces unplanned downtime, emergency repair costs, and asset replacement expenses while extending equipment life.

In inventory management, RFID tags and smart sensors provide real-time stock visibility, minimizing overstocking, stockouts, pilferage, and storage costs. IoT data also highlights process bottlenecks, enabling automation and process redesign to reduce waste and rework. Additionally, IoT wearables enhance workforce safety in hazardous environments, lowering accident-related costs, compensation claims, and insurance premiums. Fleet tracking and route optimization reduce fuel consumption, transportation delays, and logistics expenses, while real-time quality monitoring detects defects early, preventing costly recalls and reputational damage.

A practical example is **Siemens**, which uses IoT sensors in gas turbines and manufacturing plants to monitor vibration, temperature, and pressure. Early failure detection has resulted in lower maintenance costs, fewer unplanned shutdowns, and longer equipment life.

Despite its benefits, IoT adoption in Indian corporates faces several challenges, including high initial investment, cybersecurity risks, integration complexity, infrastructure limitations, skill shortages, regulatory compliance, scalability issues, and workforce resistance.

Big Data & Analytics

Industry 4.0 has led to an explosion in data generation from machines, customers, supply chains, and digital platforms. Leveraging **Big Data & Analytics** enables organizations to transform this vast data into actionable insights, driving smarter, faster, and more cost-effective decision-making.

Advanced analytics uncovers hidden inefficiencies in energy consumption, material

usage, and operational processes, allowing organizations to optimize resource utilization and reduce operational costs. Predictive analytics forecasts equipment failures, minimizing downtime and avoiding expensive breakdowns. Data-driven insights into supplier performance, lead times, and logistics enhance supply chain efficiency by improving procurement decisions and reducing excess inventory.

Workforce analytics evaluates shift patterns, idle time, and overtime, helping organizations optimize staffing levels and control labor costs. Production analytics identifies bottlenecks and rework causes, improving throughput, quality, and cost efficiency. Additionally, route optimization analytics reduces fuel consumption and delivery delays, while fraud detection tools identify anomalies in procurement, billing, and claims, preventing revenue leakage.

A notable example is **Amazon**, which uses big data analytics to analyze demand patterns, customer behavior, and logistics routes. This enables precise inventory planning, faster deliveries, reduced warehousing costs, optimized transportation expenses, and lower stock-out losses.

However, Indian corporates face challenges such as high infrastructure costs, poor data quality, legacy system integration issues, talent shortages, cybersecurity risks, compliance requirements under the DPDP Act, weak data governance, scalability constraints, and low data literacy.

Artificial Intelligence (AI) & Machine Learning (ML)

Artificial Intelligence and Machine Learning significantly enhance the capabilities of analytics by identifying patterns, automating decisions, and continuously improving outcomes. In cost management, AI and ML enable predictive and proactive operations rather than reactive control.

AI-driven predictive maintenance detects early failure patterns, reducing unplanned downtime and emergency repairs. Energy management systems dynamically optimize electricity usage by adjusting lighting, HVAC, and production

schedules. ML-based demand forecasting prevents overproduction, stock outs, and excessive inventory holding costs.

Administrative automation through AI-powered bots streamlines invoice processing, scheduling, and data entry, leading to substantial manpower savings. Workforce analytics optimizes staffing levels by analyzing productivity trends. AI-enabled vision systems strengthen quality control by detecting defects in real time, minimizing rework and warranty claims. AI-driven logistics optimization reduces fuel consumption and fleet maintenance costs, while anomaly detection systems prevent fraud and financial losses.

Unilever provides a strong example by using AI for demand forecasting and production planning, resulting in lower inventory costs, reduced waste, and improved service levels.

Despite these benefits, AI & ML adoption in India faces challenges such as high implementation costs, data quality issues, talent shortages, ethical concerns, cybersecurity risks, regulatory uncertainty, lack of explainability, scalability limitations, cultural resistance, and workforce reskilling challenges.

Robotics & Automation

Robotics and automation are central to Industry 4.0, enabling faster, safer, and more cost-efficient operations. By replacing repetitive and hazardous manual tasks, robotics delivers sustainable cost savings.

Industrial robots operate continuously without fatigue, enabling 24/7 production and higher throughput without additional labor costs. Automated processes ensure precision and consistency, reducing cycle time, material wastage, and rework. Robotics minimizes human error, extends machine life, and lowers maintenance expenses. Energy-efficient robotic systems further reduce power consumption.

In warehouses, automation and AGVs improve logistics efficiency, reduce manpower dependency, and optimize space utilization. Vision-enabled robots perform real-time quality

inspections, lowering returns and warranty claims. Robotics also enhances workplace safety, reducing accident-related compensation and insurance costs.

Toyota exemplifies this approach through extensive use of robotics in welding, painting, and assembly, achieving lower defects, reduced labor costs, and higher productivity.

Despite its benefits, Robotics & Automation adoption in Indian corporates faces several challenges include high capital investment, integration complexity, skill shortages, workforce resistance, limited flexibility, maintenance costs, safety compliance, cybersecurity risks, scalability issues, and regulatory constraints.

Cloud Computing

Cloud computing has transformed IT cost structures by shifting from capital-intensive models to flexible, pay-per-use operating expenses. By eliminating on-premise infrastructure, organizations reduce hardware, facility, and maintenance costs.

Cloud scalability allows resources to be adjusted instantly, preventing over-investment. Maintenance, updates, and security are managed by providers, reducing IT manpower costs. Energy-efficient data centers lower electricity expenses. Cloud platforms enable remote work, reducing travel and office space costs. Affordable disaster recovery solutions minimize downtime and losses, while faster deployment reduces time-to-market costs.

Netflix operates entirely on cloud platforms, benefiting from scalability during peak demand, a pay-as-you-use model, and reduced IT maintenance costs.

However, cloud adoption in India faces challenges related to security, compliance, connectivity, vendor lock-in, cost control, integration, skills, availability, data governance, and change management.

Cybersecurity

In a digital economy, cyber threats pose

significant financial and operational risks. Cybersecurity plays a defensive yet strategic role in cost management by preventing losses and ensuring continuity.

Strong security frameworks prevent ransomware attacks and data breaches, protect intellectual property, ensure regulatory compliance, reduce fraud, boost productivity, lower cyber-insurance premiums, and enable reliable data recovery.

The **Maersk** cyberattack of 2017, which caused losses of USD 250–300 million, highlights the importance of cybersecurity investment. Post-incident, Maersk strengthened its defenses, improving resilience and reducing downtime risks.

Indian corporates face challenges such as high costs, skill shortages, evolving threats, compliance requirements, legacy system vulnerabilities, human error, weak incident response, data visibility issues, and reputational risks.

Augmented Reality (AR) & Virtual Reality (VR)

AR and VR create immersive digital experiences that reduce costs across training, design, maintenance, logistics, and customer engagement. VR enables safe, repeatable training, while AR provides real-time operational guidance. Remote AR-assisted maintenance reduces travel and downtime. Virtual prototyping lowers material and redesign costs. AR-guided warehouses reduce errors and labor expenses. VR meetings cut travel costs, while VR safety training reduces accidents.

Boeing uses AR glasses in aircraft wiring, reducing errors, wiring time, and production cycles.

Adoption of AR & VR India facing many Challenges including high hardware costs, infrastructure requirements, skill shortages, user acceptance issues, integration complexity, security risks, regulatory compliance, rapid obsolescence, maintenance costs, and uncertain ROI.

Role of the Management Accountant in Technology-Driven Transformation

In the era of Industry 4.0, the role of the Management Accountant has evolved from traditional cost reporting to strategic oversight of technology-driven transformation. As organizations adopt technologies such as IoT, Big Data & Analytics, AI, cloud computing, automation, and cybersecurity, Management Accountants play a critical role in evaluating the financial viability and long-term value of these investments. They are responsible for conducting cost-benefit analysis, ROI assessment, and total cost of ownership evaluation to ensure that technology adoption aligns with organizational objectives. By integrating real-time operational data with financial metrics, Management Accountants enable informed decision-making, performance monitoring, and continuous cost optimization. They also oversee budgeting, capital allocation, and vendor evaluation for technology projects, while managing risks related to data security, regulatory compliance, and scalability. Additionally, Management Accountants act as a bridge between technology teams and senior management by translating complex technical outcomes into financial insights. Through KPI development, variance analysis, and value-based performance measurement, they ensure accountability and governance throughout the technology lifecycle. Ultimately, Management Accountants safeguard financial discipline while enabling organizations to leverage digital technologies for sustainable competitiveness and value creation.

Conclusion

The integration of Industry 4.0 technologies into cost management represents a fundamental shift from reactive cost cutting to proactive value creation. Technologies such as IoT, big data analytics, AI, robotics, cloud computing, cybersecurity, and AR/VR embed intelligence across organizational operations, enabling predictive decision-making, resource optimization, and sustainable cost structures.

However, the true value of these technologies can be realized only when their adoption is guided by strong financial oversight and strategic governance.

In this context, the Management Accountant plays a pivotal role in translating technological capabilities into measurable financial outcomes. By evaluating investment feasibility, monitoring returns, managing risks, and integrating real-time operational data with financial performance metrics, Management Accountants ensure that technology initiatives align with organizational objectives. Their involvement strengthens accountability, supports informed capital allocation, and balances innovation with cost discipline.

Organizations that strategically adopt Industry 4.0 under sound financial stewardship can reduce downtime, minimize waste, enhance safety, optimize inventory and logistics, and improve customer satisfaction, while supporting sustainability and resilience. In an increasingly competitive and uncertain global economy, technology-driven cost management is not optional but essential. Businesses that combine digital innovation with robust management accounting practices will not only protect margins but also secure long-term growth and competitive advantage in the markets of tomorrow. **MA**

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FROM LEGACY LAWS TO A UNIFIED CODE: MAJOR PROVISIONS OF THE SECURITIES MARKETS CODE, 2025

Abstract

The Securities Markets Code, 2025 represents a comprehensive overhaul of India's securities regulatory framework by consolidating multiple fragmented legislations into a single, unified code. The Code seeks to enhance regulatory clarity, enforcement efficiency, and investor protection while aligning Indian securities law with global best practices. It redefines the powers and governance structure of the Securities and Exchange Board of India, introduces a streamlined mechanism for inspection, investigation, adjudication, and settlement, and expands the scope of market abuse regulation. This article delves into clauses of code to highlight how it significantly emphasizes on strengthening oversight of intermediaries and market infrastructure institutions, mandating dematerialisation, and establishing statutory investor grievance redressal mechanisms. Overall, the Code aims to promote transparency, market integrity, and sustainable growth of India's securities markets.

Introduction and Rationale of the Securities Markets Code, 2025

The Securities Markets Code, 2025 (SMC, 2025) marks a major legislative reform in India's securities regulatory framework. Prior to this Code, securities markets were governed by a fragmented set of laws, primarily the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956 (SCRA), the Depositories Act, 1996, and a large number of rules, regulations, circulars, and guidelines issued over



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time. This multiplicity led to regulatory overlaps, interpretational inconsistencies, enforcement delays, and compliance burdens.

The SMC, 2025 seeks to consolidate, amend, and modernise these laws into a single comprehensive code, thereby providing clarity, coherence, and certainty. The Code aims to promote investor protection, market integrity, efficient enforcement, and systemic stability, while also ensuring that Indian securities markets remain competitive and aligned with international standards.

Consolidation of Securities Laws into a Unified Code

One of the most transformative aspects of the SMC, 2025 is the statutory consolidation of multiple securities-related enactments. Instead of regulating different aspects of securities markets under separate laws, the Code provides a holistic legal framework covering issuance, listing, trading, settlement, holding, regulation, enforcement, and dispute resolution.

Key outcomes of consolidation include uniform definitions across securities laws, reducing ambiguity; elimination of conflicting provisions scattered across statutes; easier compliance for

market participants through a single reference legislation, and greater consistency in regulatory interpretation and adjudication.

This shift from a fragmented to a unified framework is expected to significantly improve regulatory efficiency.

Expanded and Modern Definitions Reflecting Market Evolution

The Code substantially expands and modernises the definition of “securities” and related concepts. Unlike earlier laws that were largely equity and debt centric, the SMC, 2025 explicitly recognises Derivatives across securities and commodities, Hybrid and convertible instruments, Electronic Gold Receipts (EGRs), Security receipts, structured instruments, and special purpose vehicles, and Certain other regulated instruments, subject to inter-regulatory coordination.

This expansion ensures that emerging financial instruments do not remain outside regulatory oversight, thereby reducing regulatory arbitrage and protecting investors from unregulated products.

Strengthened Role, Powers, and Governance of SEBI

Under the Code, the Securities and Exchange Board of India (SEBI) continues as the apex regulator, but with clearer statutory authority and enhanced accountability.

Governance improvements have been provided in the bill such as detailed provisions on composition, appointment, tenure, and removal of Board Members, mandatory standards of integrity, expertise, and independence, clear post-tenure restrictions to prevent conflict of interest and disclosure of interests and recusal norms to improve transparency.

With respect to **functional powers**, the SEBI’s regulatory mandate is explicitly widened to include regulation of intermediaries, market infrastructure institutions, and self-regulatory organisations; oversight of issuance, listing, delisting, and trading of securities; regulation of investment schemes and pooled investment vehicles; and investor education, grievance redressal, and market development.

The Code also mandates SEBI to conduct

regulatory impact assessments, publish data, and periodically review its own functioning, an important shift towards accountable regulation.

Robust Inspection and Investigation Framework

The SMC, 2025 introduces a time-bound and legally robust investigation mechanism, addressing criticism of prolonged and open-ended investigations under earlier laws.

Key changes include:

- Statutory power to conduct **inspection and investigation** based on reasonable grounds.
- Investigations to be completed within **180 days**, subject to recorded extensions.
- Express authority to **quantify unlawful gains and investor losses**.
- Provision for **search and seizure**, subject to authorisation by Special Courts.
- An **eight-year limitation period** for initiating inspection or investigation, except where systemic risk or continuing contraventions exist.

These provisions balance regulatory effectiveness with safeguards against arbitrary action.

Separation of Investigation and Adjudication

A major reform introduced by the Code is the strict separation between investigation and adjudication. Persons involved in inspection or investigation are disqualified from acting as adjudicating officers in the same matter.

This change strengthens principles of natural justice, enhances credibility of enforcement proceedings, and reduces allegations of bias and pre-determined outcomes.

The adjudication process is now governed by clear procedural safeguards, including show-cause notices, opportunity of hearing, reasoned orders, and proportional penalties.

Adjudication, Penalties, and Proportional Enforcement

The Code introduces a structured and proportionate enforcement philosophy. Adjudicating officers must consider factors such as nature and seriousness of

contravention; whether the conduct was deliberate, reckless, or negligent; duration and frequency of default, unlawful gains or investor losses; market-wide impact and past conduct of the notice.

Penalties are rationalised to ensure deterrence without excessive punishment, replacing the earlier regime where penalties were often inconsistent or perceived as arbitrary.

Disgorgement, Restitution, and Settlement Mechanism

The SMC, 2025 provides a strong statutory basis for disgorgement of unlawful gains and restitution to affected investors. This marks a shift from purely punitive enforcement to restorative justice.

In addition, the Code introduces a comprehensive settlement framework, allowing voluntary disclosures by market participants, settlement of administrative and civil proceedings, and reduction in prolonged litigation and regulatory burden.

Settlement decisions are made transparently, based on prescribed criteria, and settlement orders attain statutory finality, improving certainty for regulated entities.

Regulation of Intermediaries, Self-Regulatory Organisations, and Market Infrastructure Institutions

The Code creates a uniform registration and regulatory framework for intermediaries, including brokers, asset managers, advisers, registrars, custodians, and credit rating agencies.

Key reforms include clear conditions for grant, suspension, cancellation, and surrender of registration; statutory oversight of self-regulatory organisations (SROs), ensuring they function in public interest, and strong governance, ownership norms, and bye-law making powers for market infrastructure institutions (MIIs) such as stock exchanges, clearing corporations, and depositories.

This improves systemic stability and reduces conflicts of interest.

Mandatory Dematerialisation and Securities Holding Framework

A landmark feature of the Code is the mandatory dematerialisation and fungibility of securities.

Physical securities, which were a source of fraud, duplication, and delay, are effectively phased out.

The code strengthens the legal status of depositories and depository participants; clarifies rights of beneficial owners vis-à-vis registered owners; provides statutory recognition to pledge, hypothecation, electronic voting, and corporate actions; and extends the Bankers' Books Evidence Act to depository records, strengthening evidentiary value.

This supports digitalisation and transparency in securities markets.

Listing, Trading, Contracts, Netting, and Settlement

The SMC, 2025 provides comprehensive regulation of public issues and listing obligations; disclosure standards and continuous compliance; delisting procedures and refusal of listing, and validity and enforceability of securities contracts.

Importantly, the Code gives statutory backing to netting and settlement, ensuring that the rights of clearing corporations take precedence over other claims. This reduces settlement risk and enhances confidence in post-trade infrastructure.

Investor Protection and Grievance Redressal Mechanism

Investor protection is a central theme of the Code. New mechanisms include a statutory Investor Charter defining rights and responsibilities; time-bound investor grievance redressal systems; appointment of an independent Ombudsperson with powers similar to a civil court; and preservation of SEBI's parallel enforcement powers to ensure serious violations are not compromised.

This marks a shift from complaint-based redressal to a rights-based investor protection regime.

Special Courts, Market Abuse, and Inter-Regulatory Coordination

The Code establishes Special Courts for speedy trial of securities offences and strengthens provisions relating to fraudulent and unfair trade practices, and market manipulation and abuse.

A dedicated chapter on inter-regulatory coordination enables SEBI to cooperate with RBI,

IRDAI, PFRDA, and other regulators, addressing long-standing jurisdictional overlaps and ensuring seamless regulation of hybrid instruments.

Conclusion

The Securities Markets Code, 2025 represents a comprehensive and forward-looking reform of India's securities regulation. By consolidating laws, strengthening enforcement, enhancing investor protection, improving governance, and embracing technological and financial innovation, the Code lays the foundation for a transparent, efficient, and globally competitive securities market. It replaces a fragmented legal regime with a unified,

principle-based framework capable of responding to evolving market realities and systemic risks.

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Behind every successful business decision, there is always a CMA

INTELLIGENT FINANCE: AI-DRIVEN TRANSFORMATION OF FINANCIAL PLANNING AND ANALYSIS

Abstract

Artificial Intelligence (AI) is a revolutionary force disrupting Financial Planning and Analysis (FP&A) functions. As the business environment becomes complex and data becomes humongous the management and analysis of such data required more than manual interventions. Thus, the role of AI technologies in creating a sound business decision making and analysis process. This article details how AI is transforming the current landscape of FP&A functions, including the data integration and cleansing, forecasting and predictive analytics, scenario planning & simulation, natural language processing (NLP) and anomaly detection and risk management. Furthermore, this article also describes strategic barriers for AI adoption. It was concluded that AI in FP&A is still at an exploratory stage and the role of human becomes critical and specialised while using such advance technologies to combat the complex and dynamic business environment.

Introduction

A I is now becoming a viable tool for FP&A professionals. They play a vital strategic role for corporate decision making. Organisations are inundated with large amounts of data and the need to obtain insights on a real-time basis, thus requiring replacing outdated manual processes. Hence, modernisation in FP&A has become a necessity. Executives are required to make decisions based on real time data in a highly volatile and



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complex business environment. These complex and dynamic environmental factors make AI not just an obligatory addition but a business necessity thereby helping organisation to create value.

AI has emerged as a catalyst enhancing efficiency, risk mitigation and strategic decision making. It intersects sophisticated computational methods and fundamental financial operations to automate the routine, provide more accurate predictions, and reveal important insights. According to a study by Coveney (2025), 54 percent of organisations are considering AI to streamline their FP&A processes, including activities such as trend identification and

predictive analytics. Moreover, it was noted that the implementation of AI in FP&A can improve data-driven results, real-time transparency, and contribute to the top- and bottom-line. Interestingly, another survey conducted by EY of 322 senior financial practitioners displayed a fast changing but uneven picture of AI utilisation: 10% use AI to make predictions another 10% use AI to detect patterns and trends, 27% are automating reporting and workflow, and 53% do not currently use AI in finance or accounting (EY, 2025). *Deirdre Ryan, EY Global Finance Transformation Leader*, argues that the challenge at hand is not about the use of tools as much as it is what questions to ask. She notes that several chief financial officers (CFOs) find it difficult to determine what kind of analysis would provide them with a competitive advantage.

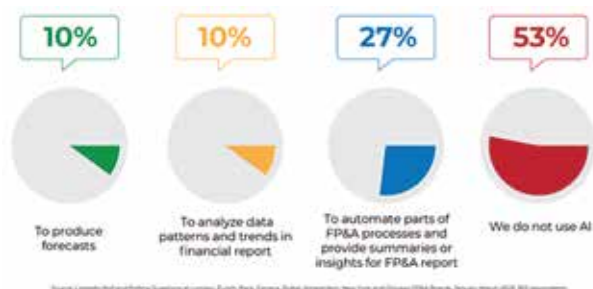


Fig. 1: Pie chart showing use of AI in FP&A

Although, AI in FP&A is still at a nascent stage but will quickly gain pace given the competitive advantage it holds. This change will empower FP&A professionals to step out from reactive and reporting role to a pro-active strategic partner for the business. Hence, it becomes important to understand how FP&A activities can be integrated with AI to become an indispensable part of it.

Role of AI in FP&A Analysis

Integration and cleansing of data: The 2024 FP&A Trends Survey noted that as many as 45 percent of FP&A professionals spend their time cleaning and reconciling data, a process that is a major impediment to value-added tasks. These processes are being increasingly automated with AI through data extraction in ERPs, spreadsheets, and other external data; automatic error, gap, and duplicate detection; and data structuring

and data cleaning through analytical tools and dashboards. AI models can integrate various types of data such as, structured and unstructured data. It can also derive insights from internal and external data such as, social media, news, websites, etc. One of the most important roles that AI plays is collating data from various sources and connecting them to provide meaningful insights. Such data can come from various sources like, Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human Resource, sales report, external market data feeds, etc. Another important point is AI can identify any inconsistencies and transform diverse sets of data formats (inconsistencies in date, currency, product codes) into a standardized format, thus providing a clean and consistent data for forecasting and reporting. Therefore, AI promotes trust and speeds up the process of its use as a decision support.

Forecasting and Predictive Analytics:

Predictive analytics involves using data, methods, and models to predict future financial trends by using AI-based demand forecasting, revenue projection, and cash-flow prediction for an investment or project. Moreover, retail businesses use such tools to project demand and inventory management and hence improve pricing models. Predictive analytics is used to estimate the costs of operation, manpower, and the prices of raw materials. It includes external variables, such as fuel expenses, inflationary forces and supplier trends. This forecasting of future cash inflows and outflows is part of the maintenance of the liquidity and enhancement of the working-capital efficiency. Predictive analytics enables financial departments to forecast possible future income, expenses, or market trends with greater accuracy because it uses past sales data as a fundamental source of training AI models. Some companies like *Microsoft* have already implemented AI-based forecasting systems in order to obtain higher predictive accuracy in financial planning. Notably, predictive analytics uncovers latent correlations between financial outcomes and fundamental business drivers.

Scenario Planning & Simulation: AI helps to create various business outcomes in real-time based on inputs, effectively expanding scenario planning beyond traditional what-if modelling to simulate various scenarios. AI-based websites generate in-depth projections based on a wide range of variables and assumptions. Dynamic scenario modelling allows work teams to review various options and to take evidence-based decisions based on model results. In order to achieve successful AI-driven scenario planning, the use of secure and reliable data becomes necessary to ensure the protection of data privacy and to avoid the risks related to the use of external and open-source algorithms implemented on the cloud solutions. AI forecasting makes it possible to run the scenario on the spot, thereby enabling firms to evaluate possibilities, and to make an informed decision based on simulated results. This enhances quick decision-making, availing opportunities and risk aversion beforehand.

Natural Language Processing (NLP): NLP produces automated financial reporting and narrative. These tools are transforming how departments retrieve and process data from diverse sources (earnings, news articles and regulatory filings). Compliance and ethical considerations must be enforced for processing financial documents and reports for security and privacy of sensitive data. NLP transforms unstructured text into useful information to speed up analysis for better decision making. Text sentiment analysis to estimate uncertainty or risk can help make better predictions. NLP-based applications help summarize financial information into concepts thereby increase understanding of management reports. NLP can also help detect early-on warning signs like compliance risk, negative press, rising complaints, etc. by scanning contracts, customer feedbacks and regulatory filings. *Darren Joffe, Senior Finance Director, Financial Times*, came up with an AI-driven solution to make the finance reporting match the editorial tone of the company, thus increasing the level of speed, clarity and consistency.

Anomaly Detection & Risk Management: AI transforms risk management into real-time, proactive function. AI continually records operational and financial data to identify risk exposure. AI technologies like *machine learning (ML)* helps reveal latent relationships e.g., it can predict higher churn rates given certain interactions with service, flagging a potential revenue risk early. AI algorithms can scan large number of financial transactions, reports and forecasts and discover risks. This helps detect potential frauds or compliance offences, thereby minimising financial risk and enhancing internal controls. In addition, AI also forecast possible risk based on historical external data by incorporating scenario planning to hedge against uncertainties. Such forecasting models simulate different risk scenarios, such as economic slowdown, increase in interest rates, market fluctuations and allows management to better analyse and make contingency plans. It will help teams to shift to a proactive risk management approach by combining anomaly detection with *predictive analytics*. With predictive insight, leaders in finance can respond to issues before they scale out of proportion, thus moving towards an approach that responds to risks more resiliently and strategically rather than reactively.

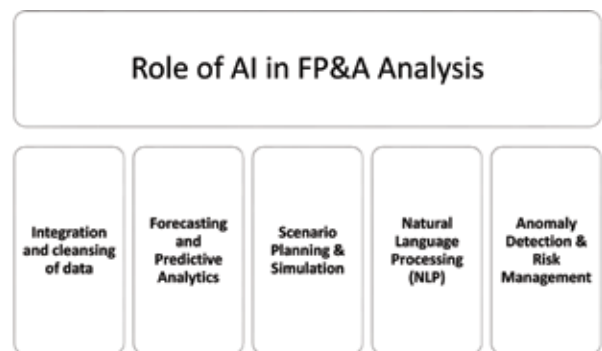


Fig 2: Role of AI in FP&A

Application of AI in FP&A

Microsoft's initiative of "Modern Finance" was an idea to rebrand FP&A into a strategic partner. It aimed at implementing tech-driven models that emphasized agility and business impact thereby bringing manual and fragmented processes to an end. AI was introduced in the following domains of

FP&A namely, forecasting and capacity planning through ML algorithms, query automation through virtual agents, predictive analytics and variance analysis, and reconciliation through Microsoft 365 Copilot. This led to larger contribution to strategic decision making and future activity by decreasing manual workload and faster action cycles.

Vodafone, in the past, faced complexities in forecasting processes by being dependent on traditional methods which led to slow deliverables and a disconnect between operational activities and strategic goals of the organisation. Hence, AI was introduced to enhance prediction and ML to synthesize data insights into actionable insights. This enhanced accuracy and speed in forecasting, enabling real-time scenario planning, automating manual reporting and empowering human capabilities by training and managing ML models on their own. AI came out as a strategic business partner. The experience of Vodafone shows that this is a key lesson to be learned in the modern finance team: AI does not replace human understanding, it enhances it.


Strategic Gaps in Adoption of AI in FP&A Process

Integrating AI with FP&A requires developing a robust strategic framework which is another hurdle faced by the professionals. Firstly, AI produce financial models which are probabilistic in nature and not deterministic. This creates uncertainty among professionals concerned about transparency, robustness and interpretability of the results thus generated. Moreover, situational analysis and emotional intelligence limit the ability of AI in complex financial decision making. Secondly, financial data of any organisation is highly sensitive making its protection a top priority. Thus, creation of an in-house AI system is a safer alternative. However, companies which cannot afford, will have to choose between risky innovation and possibilities of information leaks thereby widening the competitive gaps between the market participants. Thirdly, FP&A professionals must align business requirements with technical solutions but, companies often prefer outsourcing to third parties which creates an obstacle in trained

capacity building.

In general, the implementation of AI in FP&A needs something bigger than technological investment. It requires strong data governance, safe information management, inter-functional cooperation, and the methodical creation of skills and frameworks that can integrate AI into the very essence of the financial decision-making procedures.

Conclusion

AI is transforming FP&A processes by providing real-time insights allowing organisations to shift from reactive analysis to proactive strategic decision making. The beauty of AI is not in speeding up processes that come before it, but in revealing a new insight and opportunity that has not been available before. The prevalence of AI in FP&A does not come as a mere technological transformation, but rather a strategic one. With organisations around the world continuing to take advantage of the opportunities that AI offers, FP&A is set to become a bastion of accuracy, foresight and agility, thus creating a landscape where finance is not just managed but also envisioned with unparalleled clarity. However, the potential of AI in FP&A process is still at an exploratory stage. Continual improvements in technologies are being made to improve robustness and effectiveness of such technologies. 

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Down The Memory Lane

January, 2016



Glimpses of 57th National Cost Convention 2016

January, 2006



47th National Convention of ICWAI-2006 held at Bhubaneswar on January 2006

January, 1996



T.S. Narasimhan, Jt Secretary, Ministry of Programme Implementation, Govt of India, speaking at the inauguration session of the Programme on Raising Resources from Financial Institutes by PSU's at NIRC

Down The Memory Lane

January, 1996



Training Programme at Nasik on 5 January, 1996

January, 1986

The 63rd Session of Oral Coaching classes of EIRC was held on 27.1.1986 at J.N. Bose Auditorium, Calcutta. Shri S.D. Ganguly, General Manager Finance, Industrial Reconstruction Bank of India, Calcutta, was invited to inaugurate the session and Shri H. Paria, Director Finance, Jute Corporation of India, Calcutta and member EIRC was the Chief Guest



January, 1976



Inauguration of 24th (January-June'76) Session of the Oral Coaching Classes on 2nd January, 1976 in the Institute Premises at 12, Sudder Street, Calcutta. In the dais are (L to R.) S/Shri N.C. Mukherjee, P.K. Bose, A Bhattacharyya, R.P. Mondol

Source: Extracted from the various issues of The Management Accountant Journal



Sixth Inaugural function at Jaipur Chapter was held on 8th January, 1976 at Mahavir School Premises, Jaipur. Chief Guest was Dr. G.S. Sharma, an International Jurist and Director of Law and Social Sciences, University of Rajasthan, Jaipur

NEWS FROM THE INSTITUTE

EASTERN INDIA REGIONAL COUNCIL

Career Awareness Programmes

These sessions focused on the CMA course curriculum, structure, and career prospects for students across various schools and colleges.

- Dec 2: *St. John's Diocesan Girls' High School, Kolkata. Led by CMA Sourav Chakraborty; 120+ students attended.*
- Dec 3: *Uttarpara Model High School, Uttarpara. Led by CMA Pradeep Banerjee; ~50 participants.*
- Dec 4: *Agrasain Balika Sikshaa Sadan, Howrah. Led by Prof. CMA Jayanta Mitra; 80+ students attended.*
- Dec 8: *Aditya Academy Senior Secondary, Dum Dum. Led by CMA Sourav Chakraborty; 70+ students attended.*
- Dec 15: *Vedanta College, Kolkata. Led by CMA Dharmendra Kumar Singh; ~100 students attended.*
- Dec 16: *Balika Siksha Sadan, Kolkata. Led by CMA Dharmendra Kumar Singh; 85+ students attended.*
- Dec 17: *Nandigram Brajamohan Tewary Sikshaniketan, Midnapur. Led by CMA Subhendu Datta; 80+ students attended.*
- Dec 17: *Asadtala Binod Vidyapith, Midnapur. Led by CMA Subhendu Datta; 120+ students attended.*
- Dec 17: *Shri Shikshayatan College, Kolkata. Led by CMA Priyanka Gathani and Shri Hemanta Kumar Biswal; 120+ students attended.*
- Dec 19: *Sundarban Hazi Desarat College, South 24 Parganas. Led by CMA Dr. Subrata Mukherjee; 90+ students attended.*
- Dec 22: *Dum Dum Ananda Ashrama Sarada Vidyapeeth, Kolkata. Led by CMA Pradeep Banerjee; 80+ students attended.*

Corporate & Institutional Meetings

Discussions led by CMA Arati Ganguly, (Chairperson) to explore professional development

opportunities and ICAI collaborations.

- Dec 9: *NIT Durgapur. Meeting with Dr. Uday Chandra Mukherjee, Joint Registrar (Accounts).*
- Dec 9: *Durgapur Steel Plant (DSP). Meeting with CMA Mohit Malpani, ED (Finance).*
- Dec 16: *IISCO Steel Plant (SAIL), Burnpur. Meeting with CMA Raj Kumar Sinha, ED (F&A), accompanied by CMA Amal Hom Ray.*

CPE Programme: “Cost Intelligence for She-Entrepreneurs”

On December 12, 2025, EIRC successfully organized a one-day CPE Programme titled “Cost Intelligence for She-Entrepreneurs: Enhancing Financial Strength & Sustainable MSME Growth” at the J. N. Bose Auditorium in Kolkata. The event was formally inaugurated by Chief Guest Ms. Soma Das Mitra (IPS, DIG-CID, Government of West Bengal), with a welcome address by CMA Arati Ganguly (Chairperson) and a vote of thanks from CMA Abhijit Dutta (Secretary). The technical sessions featured insights from resource persons CMA Priyanka Gathani (Global CFO, MetricsNumero Group) and CMA Aparajita Ghosh (CGM-Finance, GRSE Ltd.), followed by an afternoon panel discussion moderated by Prof. CMA Sarmistha Banerjee of the University of Calcutta. Attended by several former Presidents and a host of women entrepreneurs, the programme served as a vital platform for discussing financial sustainability within the MSME sector.

BHUBANESWAR CHAPTER

Empowering Students: CMA Career Awareness at KISS

The Bhubaneswar Chapter hosted a successful CMA Career Awareness Programme at the Kalinga Institute of Social Sciences (KISS) on December 5, 2025. Led by CMA Avinash Kotni, Chairman of the PD Committee, the session provided over 150 commerce students and faculty

with an in-depth look at the CMA curriculum and its diverse professional opportunities. The interactive event concluded with an engaging Q&A session, where students clarified their career paths and explored the potential of the Cost and Management Accountancy profession.

Seminar on GSTR-9 & GSTR-9C

On December 12, 2025, the Bhubaneswar Chapter hosted a high-impact seminar on GSTR-9 and GSTR-9C at its Conference Hall. The event featured Shri Amitabh Anand Swain, Additional Commissioner of State CT & GST, as Chief Guest, while CMA Shiba Prasad Padhi served as the resource person, providing an expert breakdown of the GST framework. Attended by over 100 industry professionals and practitioners, the session fostered dynamic discussions on practical challenges and upcoming reforms. The seminar, led by Chapter Chairman CMA Sarat Kumar Behera and PD Committee Chairman CMA Barada Prasan Nayak, concluded with a vote of thanks from CMA Ramesh Chandra Patra, marking a successful initiative in professional development.

SOUTH ODISHA CHAPTER

Evening Talk: GST 2.0 Compliances and Reconciliation in Tally

The Chapter hosted an insightful evening talk on “GST 2.0 Compliances & Reconciliation”

on November 21, 2025, at its Conference Hall, Berhampur. The session featured Shri K Surendra Kumar Rao and Shri Siba Sankar Nayak from Tally Solutions Pvt. Ltd., who provided expert demonstrations on managing GST within updated Tally ERP systems. Inaugurated by Chapter Chairman CMA Akshya Kumar Swain, the event drew over 50 professionals and 20 CMA Final students who engaged in practical troubleshooting with the technical experts. The program, coordinated by the Chapter’s executive leadership, concluded with a formal vote of thanks from CMA Narasingha Chandra Kar, successfully bridging the gap between statutory requirements and software application.

Career Counselling Programmes held on 04.12.2025 and 05.12.2025.

ASANSOL CHAPTER

On 03.12.2025, the chapter organized a CPE on Psychological Resilience: Strategies of building up capacities to overcome Mental Health challenges at Vivekananda Hall, CMA Bhawan, Asansol Chapter. Dr. Prakash Haldar, Doctor, ECL & CMA Rambabu Pathak, Sr. Manager(Finance) & Company Secretary, ECL was the key speaker of the programme. Another CPE was organized on Decoding the Labour Codes on 13.12.2025 at Vivekananda Hall, CMA Bhawan, Asansol Chapter. CMA C.R. Chattopadhyay & CMA Avijit Goswami, Cuncil Member were the key speakers of the programme.

Glimpses of Eastern India Regional Council



Eastern India Regional Council



Eastern India Regional Council



Bhubaneswar Chapter



Bhubaneswar Chapter



South Odisha Chapter



South Odisha Chapter



Asansol Chapter



Asansol Chapter

NORTHERN INDIA REGIONAL COUNCIL

Northern Region Chapters Meet: Strengthening Regional Collaboration

The RC&CC Committee, in partnership with the Northern India Regional Council (NIRC), successfully hosted the Northern Region Chapters Meet on December 7, 2025, at Heiwa Heaven Resort in Jaipur, Rajasthan. This high-level

gathering featured the President and Vice President, alongside Central and Regional Council members and representatives from across the Northern Region. The meet served as a strategic forum for deliberation and coordination, fostering professional excellence and reinforcing the collective goals of the Institute's regional chapters.

Glimpses of Northern India Regional Council



Northern India Regional Council



Northern India Regional Council

SOUTHERN INDIA REGIONAL COUNCIL

Next-Gen Power BI Workshop for CMAs

The SIRC hosted an intensive two-day workshop, "Next-Gen CMA Technology Series: Hands-on Power BI for Finance," on December 5–6, 2025, at CMA Bhawan, Chennai. Led by corporate trainer Ms. Bharathi M, the session provided 40 finance professionals with practical training in data modeling, DAX, and AI-driven analytics. SIRC Chairman CMA Vijay Kiran Agastya and regional council members attended the event, highlighting the vital role of technological fluency in modern finance. The workshop's success underscores SIRC's commitment to equipping CMAs with the advanced digital tools necessary for future-ready decision-making.

Motivational Session for CMA December 2025 Aspirants

On December 5, 2025, the SIRC hosted a dedicated "Tips & Motivation Session" at CMA Bhawan, Chennai, to support students appearing for the Foundation, Intermediate, and Final examinations. Led by CMA Y. Srinivasa Rao and expert SIRC faculty, the program provided essential guidance on time management, exam-day strategies, and stress reduction techniques. The interactive session offered oral and postal coaching students a platform to resolve concerns and gain confidence through real-life success stories. This initiative highlights SIRC's ongoing commitment to fostering academic excellence and ensuring students are mentally and strategically prepared for their professional milestones.

Valedictory Session for CAT Course (DGR Batch)

On December 12, 2025, the SIRC hosted the valedictory session for the Certificate in Accounting Technicians (CAT) Course at CMA Bhawan, Chennai. This specialized program, conducted under the Directorate General Resettlement (DGR), Ministry of Defence, was designed to equip transitioning Armed Forces personnel with professional accounting and employability skills. The event featured distinguished guests including CMA TCA Srinivasa Prasad (President) and Lt. Col. Nitin Kaura, who commended the participants for their discipline and commitment to bridging the gap between military service and corporate roles. By facilitating this structured curriculum, The Institute reaffirmed its dedication to nation-building and supporting the career resettlement of ex-servicemen.

Valuation Knowledge Camp: Focus on Startups

On December 13, 2025, the SIRC, in collaboration with ICMAI RVO and the Bangalore Valuers Association, held a Valuation Knowledge Camp at CMA Bhawan, Chennai. Focused on the "Valuation of Startups," the camp addressed the complexities of valuing intangible assets and navigating best practices under the Insolvency and Bankruptcy Code (IBC). Renowned experts CMA S. Amarendran, CMA Dr. Gopal Krishna Raju, and CMA Vishesh Unni Ragismathan led the technical sessions, offering case-based insights to a diverse audience of Registered Valuers and Insolvency Professionals. The event successfully combined high-level professional development with regulatory compliance, awarding relevant CPE credits to all participating members.

Emerging Professional Opportunities for CMAs

On December 13, 2025, ICAI RVO and SIRC co-hosted a Professional Development Programme at CMA Bhawan, Chennai, titled "Emerging Professional Opportunities for CMAs." The session, led by CMA (Dr.) Gopal Krishna Raju, focused on the expanding roles for CMAs within the valuation and insolvency ecosystems, particularly under the Insolvency and Bankruptcy Board of India (IBBI) framework. Attendees gained critical insights into regulatory shifts and career pathways that position CMAs as vital compliance and valuation experts in the modern business landscape. The event concluded with a vote of thanks by CMA Rajesh Sai Iyer, Secretary – SIRC, and provided participants with 1 CPE Credit Hour, reinforcing the council's commitment to continuous professional growth.

CMA Career Awareness Programme at AVICHI College

On December 16, 2025, the SIRC conducted a CMA Career Awareness Programme at AVICHI College of Arts and Science, Chennai, to introduce students to the cost and management accounting profession. Keynote speaker CMA Rakesh Shankar Ravisankar provided a comprehensive overview of the CMA course structure, eligibility, and the vast career prospects in consultancy, industry, and private practice. The session featured an interactive Q&A that addressed student queries regarding examination patterns and professional pathways in the dynamic global business environment. This outreach initiative successfully motivated students to pursue CMA as a strategic career choice, highlighting SIRC's dedication to student development and professional growth.

Inauguration of CAT Course for Armed Forces Personnel

On December 24, 2025, the SIRC inaugurated a new batch of the Certificate in Accounting Technicians (CAT) Course at CMA Bhawan, Chennai. Held in collaboration with the Directorate General Resettlement (DGR), Ministry of Defence, the program aims to provide personnel from the Army, Navy, and Air Force with industry-ready accounting skills for their transition to civilian careers. The session was led by CMA TCA Srinivasa Prasad (President) and other distinguished council members, who highlighted the importance of professional discipline and accounting

fundamentals in the corporate sector. This initiative reinforces Institute's commitment to nation-building by empowering ex-servicemen through specialized skill development.

KOZHICODE-MALAPPURAM CHAPTER

Professional Seminars

The Kozhikode-Malappuram Chapter recently conducted two high-impact Professional Development Seminars in Calicut. On December 6, 2025, Chairperson CMA Syamly C M inaugurated a session on "Cost Intelligence & Business Excellence Through Data, AI & Statistical Thinking" featuring Mr. S. Premkumar, who explored how emerging technologies transform cost structures and productivity. This followed a comprehensive workshop on November 29, 2025, regarding "GST Annual Return & Reconciliation." Led by CMA Ajith Sivadas and attended by Chief Guest Smt. Sini C P, the workshop provided practical guidance on reporting requirements, financial reconciliation, and compliance. Both events, concluded with votes of thanks by CMA Adarsh K P, successfully equipped members with the technical and analytical tools necessary for modern financial excellence.

BENGALURU CHAPTER

Professional Development Programme

In December 2025, the Bengaluru Chapter hosted two significant professional gatherings led by Chapter Chairman CMA Raghavendra B K and the executive team. On December 6, the Former President's Memorial Lecture featured Shri. Prashanth S. Shivadass, who provided expert insights into "The New Labour Codes," highlighting key takeaways for industry professionals. This was followed on December 13 by a dynamic panel discussion titled "Unlocking CMA Practice Potential: Opportunities & Challenges." Moderated by CMA Ramaskanda N. and featuring seasoned panelists CMA Venkanna S, CMA T K Jaganathan, and CMA K S Kamalakar, the session explored strategic pathways and hurdles for practicing Cost Accountants. Both events were well-attended by regional leadership, including Vice Chairperson CMA Gunamala S R and SIRC representatives.

CMA Outreach Through Career Counselling

The Bengaluru Chapter actively promoted the CMA profession through a series of strategic

career counselling sessions in December 2025. On December 9, a session was held at Saint Teresa Women's College, led by CMA Santosh G Kalburgi and CMA Vishwanatha Bhat. A similar outreach took place on December 26 at BMS Women's College, featuring insights from CMA Santosh G Kalburgi and CMA Venkanna S. Most notably, on December 26, CMA Gunamala S R and CMA Vishwanatha Bhat addressed an audience of approximately 450 Principals and Ex-Principals at NMKRV College. This high-level engagement focused on the career scope and professional opportunities within the CMA qualification, effectively fostering academic partnerships and awareness across the region.

Seminar on New Labour Codes – 2025

On December 25, 2025, the Bengaluru Chapter, in collaboration with the Ministry of Labour & Employment, hosted a pivotal seminar on the "New Labour Codes 2025" at BWSSB Suvarna Bhavana. The event featured Kum. Shobha Karandlaje, Hon'ble Minister of State for Labour & Employment, as the Chief Guest, who emphasized the role of labour reforms in economic growth alongside Mr. Leher Singh Saroya, MLC. A technical session led by Shri Alok Chandra (SLEA) provided deep dives into compliance and implementation, supported by the presence of top leadership, including President CMA T. C. A. Srinivasa Prasad. The seminar concluded with an interactive Q&A, offering professionals and stakeholders essential clarity on the evolving regulatory landscape.

TRIVANDRUM CHAPTER

Professional Development Programme

On November 23, 2025, the Trivandrum Chapter hosted a Professional Development Programme titled "Internal Audit – A Management Perspective" at CMA Bhawan. The event opened with a welcome address by Chapter Chairman CMA Pranav Jayan, followed by an expert technical session led by CMA Prasanna Kumar S, a Management Consultant and Independent Director. The session provided a deep dive into how internal auditing serves as a strategic managerial tool for organizational excellence. Coordinated by PD Committee Chairman CMA Sarat Nair U, the program concluded with a vote of thanks by CMA Raja Padmanabhan, successfully enriching the professional knowledge of the attending members.

VISAKHAPATNAM CHAPTER

Professional Development Programme

On December 20, 2025, the Visakhapatnam Chapter hosted a Professional Development Programme focused on "Transfer Pricing & Intercompany Accounting – Practical Basics & Key Considerations." The session was led by CMA Swaroop PSK, General Manager – Finance at ARISE IIP Group Finance (Dubai), who shared valuable international perspectives on compliance and intercompany financial management. The event was conducted in the presence of the Chapter's leadership, including Chairman CMA U Lakshmana Rao, Vice-Chairman CMA G Ramalinga Reddy, and Secretary CMA N Venkatesh, alongside a strong turnout of CMA members.

COCHIN CHAPTER

PD Programme: "Annual GST Return (GSTR 9/9C): Challenges, Checks, and Compliance

On December 3, 2025, the Cochin Chapter conducted a specialized Professional Development Programme titled "Annual GST Return (GSTR 9/9C): Challenges, Checks, and Compliance" at CMA Bhavan, Vyttila. The session was led by CA (Shri.) Jithindas A. H., Assistant Director at the Central GST Audit Commissionerate, who provided a deep dive into reconciliation issues, audit observations, and best practices for accurate filing. Following a welcome address by CMA Renjini R, the interactive workshop equipped members and industry delegates with the practical knowledge needed to navigate the evolving GST framework. The event concluded with a vote of thanks by CMA Arun Kumar S, marking a successful initiative in professional compliance readiness.

Residential Programme in Vagamon Focuses on ESG Excellence

The Sustainability Standards Board (SSB), in collaboration with the Cochin Chapter, successfully hosted a high-profile two-day residential programme titled "ESG: Empowering Enterprises for a Sustainable Future" on December 13–14, 2025, in Vagamon. Inaugurated by Shri A. P. M. Mohammed Hanish (Principal Secretary, Govt. of Kerala), the event featured expert technical sessions on industry insights from Cochin Shipyard, ESG reporting by Bureau Veritas, and sustainable finance by SEBI. A highlight was the "Green Steps and Growing Roots"

ceremony, emphasizing environmental stewardship. Led by CMA Dr. Murthy and CMA Renjini R, the programme drew over 80 delegates and concluded with a multi-sectoral panel discussion on the future of sustainability, reinforcing the strategic role of Cost Accountants in the global ESG landscape.

THRISSUR CHAPTER

Collaborative Seminar on Business Valuation

On November 29, 2025, the Thrissur Chapter and the ICAI Registered Valuers Organisation (RVO) conducted a full-day joint seminar titled “Valuing

the Future: Insights and Techniques in Business Valuation.” This significant inter-professional event was held in association with the Thrissur Chapters of ICSI and ICAI, as well as the Bangalore Valuers’ Association (BVA).

The program was inaugurated by CMA P V Antony (Chairman, Thrissur Chapter) and attended by Guests of Honor including Dr. S. K. Gupta (MD, ICAI RVO). Technical sessions led by CA Abisheik A and CA Nithin N explored modern valuation methodologies, providing deep insights for a diverse audience of Cost Accountants, Company Secretaries, and Chartered Accountants.

Glimpses of Southern India Regional Council



Southern India Regional Council



Southern India Regional Council



Kozhikode-Malappuram Chapter



Kozhikode-Malappuram Chapter



Bengaluru Chapter



Bengaluru Chapter



Trivandrum Chapter



Trivandrum Chapter



Visakhapatnam Chapter



Visakhapatnam Chapter



Cochin Chapter



Cochin Chapter



Thrissur Chapter



Thrissur Chapter

CPE on Financial Acumen & Cost Innovation in Manufacturing

The Chhatrapati Sambhajnagar Chapter organized a Continuous Professional Education (CPE) programme on “Financial Acumen & Cost Innovation Ideas in Manufacturing Sector” at the Chapter’s Training Hall. Keynote speaker CMA CS Akshay Dande, Cluster Finance Head at Varroc Engineering Ltd., introduced a strategic 3M framework (Material, Man, and Machine) to drive sustainable competitiveness and operational excellence. The session, welcomed by Chapter Chairman CMA Babasaheb Shinde and facilitated by Secretary CMA Salman Pathan, also delved into tariff resilience, supply-chain defense mechanisms, and government incentives within the electronics sector. Attendees gained critical insights into how cost leadership and market diversification serve as essential tools in today’s price-sensitive global market.

CPE Programme

Continuous Professional Education Programme on Stock Market Update & Investment Ideas was held on December 5, 2025

PUNE CHAPTER

Workshop on GSTR-9 & GSTR-9C

The Pune Chapter hosted an impactful CEP workshop on “GSTR-9 & GSTR-9C” on December 6, 2025, at CMA Bhawan, Karvenagar. The session featured expert guidance from CA Pralhad Mandhana and CMA Dipak Joshi, who provided practical insights into the filing process for GST annual returns and reconciliations. Additionally, CMA Dr. Sanjay R. Bhargave detailed the strategic importance of these filings in audit and compliance. The event, which saw an excellent turnout of students and members, was inaugurated by CMA Tanuja Mantrawadi and CMA Nilesh Kekan, concluding with a dynamic interactive session and a formal vote of thanks

Webinar on ESG & Sustainable Development

On December 20, 2025, the Pune, Nashik, Nagpur, and Chhatrapati Sambhajnagar Chapters jointly organized a collaborative webinar focused on “ESG & Sustainable Development.” The session, led by expert speaker CS Deepak Jain, explored the critical intersection of environmental, social, and governance factors with corporate sustainability. The event received a strong response from members across the Western Region, highlighting the growing professional commitment to integrating sustainable practices within the cost and management accounting framework.

PIMPRI CHINCHWAD CHAPTER

Career Guidance and Technical Excellence

The Pimpri-Chinchwad Chapter concluded November 2025 with two impactful sessions focused on student outreach and professional compliance. On November 28, Vice Chairman CMA Kunal Wakte led a dual career counseling session at SNBP Junior College of Commerce, introducing students to the CMA curriculum, eligibility, and the diverse career paths within Cost and Management Accounting. This was followed on November 29 by an Interactive Workshop on GSTR-9 & GSTR-9C at CMA Bhawan, where CMA Amit Devdhe provided technical expertise on GST annual returns. The workshop featured a deep dive into Table No. 6 (ITC details), offering hands-on exercises for reconciling books with GST returns. Both events, supported by Chapter Chairman CMA Balkrishna Hazare, successfully bridged the gap between academic theory and practical industrial application

BARODA CHAPTER

Professional Development and Welfare Initiatives

The Baroda Chapter marked a productive November 2025 with a series of high-impact events focused on member welfare and technical excellence. On November 1st, the Chapter hosted a vibrant CMA Get Together at Hyatt Place,

Vadodara, drawing over 150 members, families, and students for an evening of networking. A major highlight of the gathering was the formal signing of an MOU with Aadicura Superspeciality Hospital, providing CMA members and students with dedicated healthcare benefit cards for emergency and routine care.

In addition to welfare initiatives, the Chapter emphasized continuous learning through an Online CPE Program on November 22nd, where CA Dhruvank Parikh guided 75 participants on navigating GST annual filings and avoiding common compliance errors. Furthermore, the Chapter remains dedicated to career growth through its active Placement & Training division, which successfully facilitated numerous career opportunities for students and members throughout the month.

Unity March

On 29.11.2025, The Baroda Chapter participated in the "Unity March" to commemorate the 150th birth anniversary of Sardar Vallabhbhai Patel. Members joined the "Sardar@150" celebrations to honor the Iron Man of India, promoting national integrity and patriotism. As a service initiative, the Chapter provided refreshments to participants and had the honor of serving alongside Hon'ble MP Shri Mansukh Mandaviya.

Online CPE: ESG & Sustainability Framework

On 06-07.12.2025, In collaboration with WIRC, the Baroda Chapter hosted a two-part webinar series on "ESG & Sustainability Framework: Detailed Coverage of BRSR." The sessions featured technical presentations by CMA Siddhartha Pal on BRSR Part 1 and detailed deliberations on ESG reporting in Part 2. Attended by nearly 100 members, the webinar provided practical insights into the evolving landscape of corporate sustainability reporting.

Career Awareness Seminar

On 12.12.2025, A seminar titled "Career as a Cost & Management Accountant" was held at

Shree Baliyadev Vidyamandir, Itola, for 11th and 12th-grade commerce students. CMA Hirav Shah and Shri Ritesh Dabgar introduced 60 students to the CMA course scope and professional opportunities. The initiative was highly praised by school authorities for providing valuable career guidance and fostering professional awareness at the higher secondary level.

Cost Audit Webinar: Fertilizer Industry

On 13.12.2025, As part of the "ज्ञानसत्र" (Gyan-Satra) webinar series organized by WIRC, CMA Amruta Vyas, Chairperson of the Baroda Chapter, served as the keynote speaker for a session on the Fertilizer Industry. She delivered a practical presentation on industry-specific cost audit aspects. The session supported continuous professional education (CPE) for members across the region, focusing on specialized capacity building.

Workshop: Beyond the Books 2.0 (December 18–24, 2025)

On 18-24.12.2025, The Baroda Chapter and MSU Baroda's Faculty of Commerce collaborated on "Beyond the Books 2.0," a flagship workshop designed to align commerce education with NEP 2020. Over 600 students attended sessions led by expert CMAs covering cost sheets, healthcare, IT, inventory, and manufacturing. The program concluded with an industrial visit to Green Brilliance and Kaizen Switchgear for 60 meritorious students, bridging the gap between academic theory and practical application.

Placement and Training Activities

The Baroda Chapter remains dedicated to professional growth through its ongoing Placement and Training initiatives. By organizing various recruitment activities and skill-building sessions, the Chapter has successfully provided a platform for a large number of students and members to secure employment opportunities and enhance their career readiness in the field of management accounting.

Glimpses of Western India Regional Council



Chhatrapati Sambhajnagar Chapter



Chhatrapati Sambhajnagar Chapter



Pune Chapter



Pune Chapter



Baroda Chapter



Baroda Chapter



Pimpri Chinchwad Chapter



Pimpri Chinchwad Chapter

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TASKFORCE FOR NORTH EAST, ICMAI

The Council Member and Member of Taskforce on North East, CMA Chittaranjan Chattopadhyay and Dr. Pradipta Ganguly, Secretary to the Taskforce, had travelled to Assam in the period 18th December to 21st December 2025 to explore the possibility of networking with academic institutions in the region to be a resource for propagating Cost & Management Accounting course, enhancing relevance and accessibility of the course to students belonging to the place. This initiative is also in alignment with the vision of joint project of the Institute of Cost Accountants of India and Indian Institute of Corporate Affairs (IICA), Govt. of India for developing skill and capacity building among the youth of the North Eastern states of

the Country.

The following academic institutions were visited covering districts of both Dibrugarh and Tinsukia in Assam:

Dibrugarh University, D.H.S.K commerce college, Duliajan College, Shiksha Valley School, Vivekananda Kendra Vidyalaya, Dibru college, held meetings with the institute heads and faculties for National Accreditation Policy (NAP), Career Awareness programs to explain details and benefits of CMA course, Skills development and Capacity building for the students at their graduation level to make them job orientated and also possibility of holding joint seminars were discussed.



The Journal & Publications Committee of ICMAI organized a webinar on “Sustainable Finance: Steering India Towards a Greener Future” on December 16, 2025, from 5:00 pm to 6:00 pm, with CMA Rajendra Kumar Joshi, Senior Vice President (Strategy & Planning), Jio Platforms Limited, as the Resource Person.

He provided a comprehensive overview of the global sustainable finance landscape, highlighting emerging trends, capital flows, sectoral analysis and the evolution of the GSS (Green, Social and Sustainability) market during 2015–2025, with particular emphasis on global growth by instrument and sector. The session covered debt instruments, GSS bonds as the gold standard and the ICMA Green Bond Principles, including their framework, governance, use of proceeds and key performance indicators. He further discussed ESG integration in investing, shareholder engagement and the alignment of ESG, sustainability and SDGs within sustainable finance. With a strong India focus, he elaborated on market development, policy direction and priorities outlined in Budget 2025–26, underscoring opportunities for CMAs, including their potential role as registered Environment Auditors and reinforcing the critical role of professionals in advancing credible, transparent, and impactful sustainable finance in India. He gave deep insights into key sustainable finance instruments such as Green Loans, Sustainability-Linked Loans and Sustainability-Linked Bonds, explaining their structures, performance linkages and the critical role of clearly defined key performance indicators, including GHG emission reduction and increased adoption of renewable energy. He emphasized ESG and climate integration in investing and outlined the Government of India’s recent efforts, with specific reference to initiatives announced in Union Budget 2024–25 and Union Budget 2025–26, such as introducing targeted tax benefits on green bond interest, providing subsidies to encourage smaller green bond issuances and the urgent need to finalize the national green taxonomy. The session highlighted India’s progress at a glance, sector-specific growth trends and ongoing policy support, while underscoring the expanding role of CMAs as Environment Auditors in areas such as carbon costing, BRSR assurance,



internal carbon pricing and ESG audits. He concluded by stressing that sustainable finance represents a structural transformation rather than a fleeting trend, asserting that for India to establish itself as a global leader in emerging market green finance, cost saving should be viewed not as the destination but as the fuel powering the journey towards a greener and more resilient future. He also offered a candid critique of the current pace of progress, expressing concern that India is still far from the stated sustainability targets and highlighting the apprehension that achieving the 2030 goals may be challenging under existing

frameworks. He pointed out the significant funding gap of nearly USD 13 trillion required to meet these targets and stressed that without accelerated policy action, mobilization of capital at scale would remain difficult. Emphasizing the urgency, he called for the immediate development and finalization of a robust national green

taxonomy and underscored the need for clear guidance and coordination from front-end regulators to ensure standardization, credibility and investor confidence, which are essential for driving sustainable finance flows and meeting long-term climate and development commitments.

He emphasized that the Government must urgently develop a comprehensive green taxonomy supported by highly credible and standardized reporting frameworks, acknowledging that the current phase of transition poses significant challenges for all stakeholders. He noted that transparent, reliable and comparable disclosures are critical to building investor confidence and ensuring the integrity of sustainable finance initiatives.

There was an interactive question-and-answer session at the end of the webinar, in which the resource person shared perspectives and discussed practical challenges and opportunities in the area of sustainable finance, making the session insightful and enriching for all attendees. CMA Sucharita Chakraborty, HoD and Secretary of the Journal & Publications Committee, delivered the welcome address and proposed the vote of thanks, while the webinar was effectively moderated by Smt. Somalika Chakraborty, Journal and Publications, contributing to the overall success of the programme.



ICMAI

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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- ⊙ Other Professionals (CS, CA, MBA, M.Com, Lawyers)
- ⊙ Executives from Industries and Tax Practitioners
- ⊙ Students who are either CMA qualified or CMA pursuing

Course Content

- ⊙ Over View of GST Laws - Present Issues in litigation
- ⊙ Scrutiny of Returns, Notices handling and how to draft & submit reply
- ⊙ Assessments - Notices, handling and how to draft & submit reply
- ⊙ Audit
- ⊙ Anti Evasion-Enforcement - Search & Seizure
- ⊙ Litigation Process
 - a. Specific issues in drafting the reply or filing appeal
 - b. Leveraging allied laws in litigation
 - c. Notices and different Prescribed Forms
 - d. Adjudication
 - e. Inspection, Search, Seizure, Summons & Arrest
 - f. 1st Appellate Authority
 - g. GSTAT
- ⊙ Advance Ruling
- ⊙ Practical Case Studies

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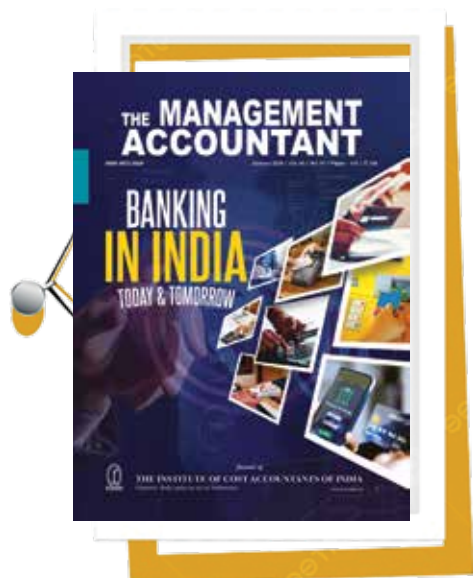
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1

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| Sl. No. | Topic | | Subject coverage | Presentation | Hours |
|---------|-----------------------------------|--|--|---|-----------|
| 1 | Sources of disputes | Over View of GST Laws - Present Issues in litigation | Overview of GST, Jurisdiction - Centre or State or both, Conundrum of Concurrent Jurisdiction and Sec. 6(2)(b) of the CGST Act, Registration under GST | provisions, circulars, notifications, present issues in litigation with examples and case decisions | 3 |
| | | | Issues related to supply, Classifications, taxability, exemption, Valuation, | provisions, circulars, notifications, present issues in litigation and case decisions | |
| | | | Notifications and Circulars issued under GST Laws - binding effect | Case law analysis | |
| | | | Issues related to time of supply, place of supply, Registration, invoicing and related filing of returns, Eway bills - present issues | provisions, circulars, notifications, areas of disputes with examples and case decisions | |
| | | | Issues related to Input Tax Credit including block credit and reversal of ITC, GSTR-2A, GSTR-2B etc, ISD and Jobwork - present issues | provisions, circulars, notifications, areas of disputes with examples and case decisions | |
| 2 | Scrutiny | Scrutiny of Returns, Notices handling and how to draft & submit reply | Overview of scrutiny of returns, Cases where the department generally carries out scrutiny, Provisions of Section 61 of the CGST Act, 2017 & Rule 99 of the CGST Rules, 2017, Procedure to be followed by the proper officer for scrutiny of returns, Procedure to be followed by the registered person after receiving the notice in ASMT-10 for scrutiny of returns, How to handle such notices and how to represent before the department., Instructions issued by the CBIC relating to the scrutiny of returns, Repercussions after issuance of ASMT-10, ASMT-11 and ASMT-12. Online filing of reply | With discussion on different issues, case study and updated case decisions | 3 |
| 3 | Assessment | Assessments - Notices, handling and how to draft & submit reply | Assessments under GST, Procedure of Assessments, Provisional Assessments, Self-assessments, Scrutiny Assessment, Notices issued during assessment, reply to notices, how to draft reply to such notices. Online filing of reply | With discussion on different issues, case study and updated case decisions | 4 |
| 4 | Litigation arising from the audit | Potential litigation arising from the audit | Types of Audits, Procedure for Audits, selection for Audit, Desk Review, Closure of Audits, ADT-01, ADT-02, MCM, Parala Audit by State & Central Authorities, Drafting of reply and how to handle the issues during Audit process. Online filing of reply | Provisions and case study with case decisions | 6 |
| | | Audit-induced legal exposure Possible legal action resulting from the audit | | | |
| 5 | Anti-Evasion | Enforcement - Search & Seizure | Cases in which Department may conduct search and seizure operations, What are the Department's powers during search and seizure, Summons proceedings, Deposits during search and seizure operations, Rights and obligations of taxpayers during such proceedings. How to handle and reply during the proceedings. | Provisions and case study with case decisions | 5 |
| 6 | | Specific issues in drafting the reply or filing appeal | Discussion of some practical issues that taken in replying the SCN, adjudication process and appellate stage. Principle of natural justice, revenue neutral, recovery of tax under RCM when tax paid under forward charge, bonafide believe in availing exemption, analysis of applicability of interest provisions, applicability of judiciary precedent etc | Discussions of relevant provisions with case laws. | 9 |
| 7 | | Leveraging allied laws in litigation | Allied laws relevant to GSTAT litigation: 1. Indian Contract Act, 1872 2. Bharatiya Nyaya Sanhita (BNS) 3. Real Estate (Regulation and Development) Act (RERA) 4. Customs Act 5. Code of Civil Procedure (CPC) | An over view of the allied laws in perspective of GST litigation matters | 3 |
| 8 | | Litigation - Notices and different Prescribed Forms | Different type of Notices Forms used in the Compliance and Litigation process , its relevance under GST Laws | Provisions related to importance of the Notices, Time limit of issue of notices, related case decisions | 1 |
| 9 | Litigation Process | Adjudication | Demands and Recovery, Procedure for demands and recovery, Show Cause Notices, Replies to Show Cause Notices, Interest and Penalties, Adjudication Order [Section 73,74, 74A & 75 etc] | Provisions and case study with case decisions | 8 |
| 10 | | Inspection, Search, Seizure, Summons & Arrest | Inspection, Search, Seizure, Summons & Arrest | Provisions and case study | 2 |
| 11 | | 1st Appellate Authority | Relevant provisions for filing appeal before 1st Appellate Authority, Key considerations for drafting facts and grounds of appeal, Insights into judicial expectations and perspectives, Discussion of cases and practical scenarios | Provisions including practical aspect / case study how to draft Statement of facts and grounds of appeal, Authorised Representative, How to present the case and plead before GSTAT | 9 |
| 12 | | GSTAT | Relevant provisions for filing appeal before GSTAT. Detailed walkthrough of the GSTAT (Procedure) Rules 2025, Practical guidance on preparing an effective Paper Book, Key considerations for drafting facts and grounds of appeal, Insights into judicial expectations and perspectives, Discussion of cases and practical scenarios | Provisions including practical aspect / case study how to draft Statement of facts and grounds of appeal, Authorised Representative, How to present the case and plead before GSTAT | 15 |
| 13 | Advance Ruling | Advance Ruling | Provisions and How to prepare | | 2 |
| 14 | Case Study | Practical | Case Study - 5 Nos | | 10 |
| | | | Total | | 80 |



January - Banking in India: Today & Tomorrow

The Banking sector in India has seen remarkable transformations, driven by technological innovations, policy changes and the growing demand for financial inclusion. As we move towards a cashless economy and sustainable financial practices, several developments are influencing the banking landscape. From UPI's role in cashless banking to the rise of neo-banks and the push towards net zero, the future of banking in India promises a more inclusive, efficient and customer centric financial landscape. The banking sector has undergone a paradigm shift in recent years, with the introduction of advanced technologies like artificial intelligence, block chain and data analytics. These technologies have made banking operations more efficient, transparent and inclusive. The continued evolution of banking will require innovation, ethical practices, and a deep understanding of both global trends and local realities.

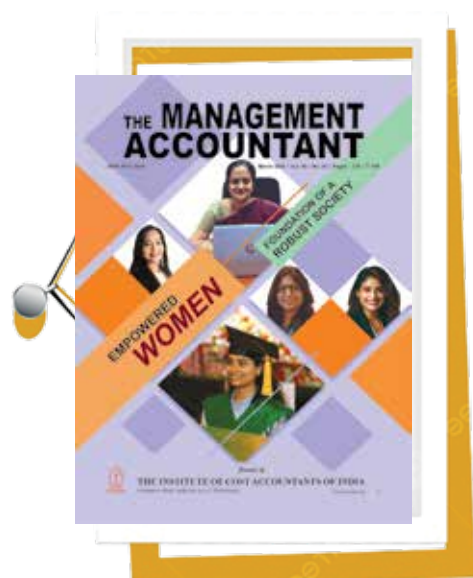
February - Agriculture holds the key for Self-Sustainability in India

Agriculture is considered as one of humans' oldest endeavours, primarily initiated to meet the need for food and survival. It is essential to have adequate land to cultivate and produce agricultural products for both human and animal consumption. Inadequacy of land suitable for agriculture and many other constraints to tackle with, a new initiative termed as "Precision Farming or Agriculture" ((PF or PA)) is becoming popular. Agriculture holds the key to India's self-sustainability as it remains the backbone of the country's economy, providing livelihoods to over half of its population. By focusing on sustainable agricultural practices, increasing productivity and ensuring food security, India can reduce its dependency on imports, boost rural economies and create resilient ecosystems. The government's role in promoting green technologies, improving irrigation systems and supporting small farmers with better access to credit and markets is crucial. Investing in agriculture not only ensures national food security but also strengthens India's global position by making it self-reliant in essential commodities. Thus, agriculture is not just a sector, it is the foundation for a self-sufficient, thriving India.



March - Empowered Women - Foundation of a robust society

An empowered woman is not just an individual success story; she is the cornerstone of a thriving society. When women are educated, economically independent and have equal opportunities, they contribute significantly to social and economic progress. Their participation in decision-making, governance and leadership fosters inclusivity and balance, leading to more just and progressive mindset and opportunities. Countries with high levels of gender parity experience greater economic stability and social harmony. As India envisions Viksit Bharat 2047 — a fully developed and self-reliant nation, women will play a pivotal role in shaping its future. Education serves as a strong driver for women's empowerment, equipping them with the tools and knowledge to challenge societal norms, overcome gender stereotypes and make informed choices that enhance their lives. It strengthens their ability to confront violence and discrimination, build resilience and boost their self-worth. Through learning, women gain the confidence to shape their futures, contribute meaningfully to their communities and inspire societal transformation. International Women's Day (IWD) 2025 is a powerful reminder that women's empowerment is the key to a more inclusive and progressive world. On this International Women's Day, let's commit to fostering a world where every woman has the freedom to dream, achieve and lead, because when women rise, society flourishes.



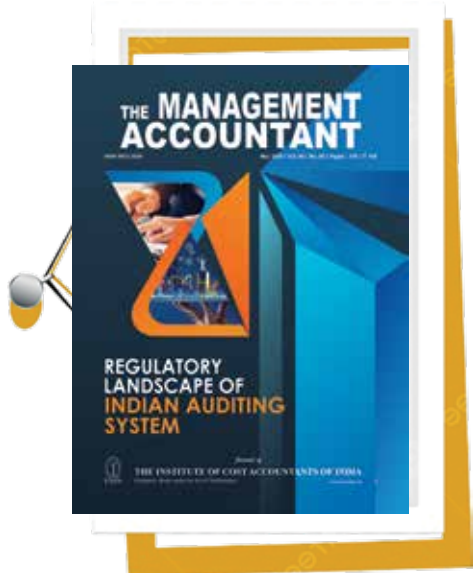
April - New Financial Year - Embarking on Journey of Resilience, Hope and Excellence

As we turn the page on the financial calendar, the dawn of a new financial year is more than just a date—it's an opportunity for reflection, renewal, and reimagination. It marks the beginning of another chapter in our collective journey—a path defined by resilience, guided by hope and driven by an unwavering pursuit of excellence. Hope, too, plays a crucial role in shaping our outlook. It fuels innovation, nurtures growth, and sustains the human spirit. In boardrooms and classrooms, on factory floors and farms, it is "HOPE" that inspires us to aim higher and do better. The new financial year offers fresh ground for such aspirations—a time to reset goals, revisit visions and reignite passions. Achieving resilience, hope and excellence is not a solitary pursuit. Excellence is not just a destination; it is a journey. It is the continuous pursuit of improvement, innovation, and superior quality in every aspect of our work. Together, we can navigate this journey and turn our vision into reality. It is a time to reaffirm our collective resolve to uphold the highest standards of professional excellence and contribute meaningfully to the advancement of the nation's economic and financial ecosystem.



May - Regulatory Landscape of Indian Auditing System

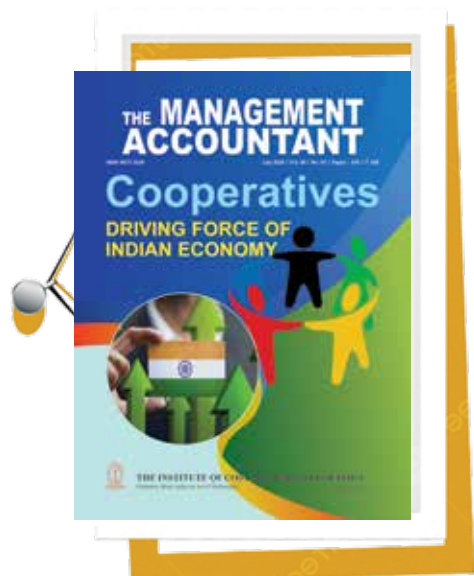
The regulatory landscape of the Indian auditing system is a complex and evolving framework designed to ensure transparency, accountability and integrity in financial reporting. In recent years, the auditing ecosystem has expanded beyond traditional boundaries with the emergence of institutions like the Insolvency and Bankruptcy Board of India (IBBI), which plays a crucial role in scrutinizing financial statements during insolvency proceedings and ensuring fair valuation practices. Simultaneously, the digital age has ushered in a transformative shift, compelling auditors to adopt data analytics, automation, and AI-driven tools to detect anomalies and enhance audit quality in real-time. The Comptroller and Auditor General of India (CAG) remains a pillar of public accountability, with its audits of government expenditures gaining increased significance amid rising demands for fiscal transparency. Together, these developments reflect a broader transition toward a more technology-enabled, multi-agency audit framework that is better equipped to address the complexities of a dynamic economic landscape. As India aligns more closely with international best practices, its auditing regime continues to balance the twin goals of investor protection and economic growth.



June - MSMEs: The Backbone of India's Economic Future

Micro, Small, and Medium Enterprises (MSMEs) are vital to India's economic development, driving entrepreneurship, employment, innovation, and exports. As of March 2025, over 6.05 crore MSMEs have registered on the Udyam portal since its launch in July 2020, reflecting the government's sustained efforts to formalize and strengthen the sector. MSMEs now contribute nearly 46% to India's exports, with export values surging from ₹3.95 lakh crore in 2020-21 to ₹12.39 lakh crore in 2024-25. The sector has also witnessed a significant rise in the number of exporting units, growing from 52,849 to 1,73,350 in five years. Despite this progress, MSMEs continue to face challenges such as limited access to credit, complex regulatory compliance, and infrastructure gaps. Addressing these issues through policy support, credit facilitation and infrastructure investments is critical to unlocking the full potential of MSMEs and advancing India's ambition of becoming a developed economy by 2047. The theme reflects our commitment to highlighting the challenges, opportunities and policy directions that can empower this crucial segment. As India moves steadily towards its goal of becoming a \$5 trillion economy, supporting and strengthening the MSME ecosystem will be pivotal—not only for economic expansion but also for fostering innovation, sustainability and equitable development.





July - Co operatives - Driving force of Indian economy

In the vast and diverse landscape of India's economy, cooperatives have emerged as quiet yet formidable engines of growth and social inclusion. Anchored in the principles of self-help, democratic governance, and collective welfare, the cooperative movement in India has not only empowered millions at the grassroots level but has also significantly shaped critical sectors such as agriculture, dairy, rural finance, and community development. With this month's theme—Cooperatives: Driving Force of Indian Economy—we aim to celebrate, analyse and reflect on the lasting impact and future potential of this powerful socio-economic model. The cooperative movement in India has become a vital component of inclusive and sustainable growth, especially in the agricultural and rural areas. Cooperatives, which have their roots in democratic governance and community ownership, empower underprivileged groups, boost regional economies, and advance social justice.

August - IFSC: Emerging as a dominant Gateway for India's Financial Sector

As India strengthens its position in the global financial arena, the International Financial Services Centre (IFSC) at GIFT City is fast becoming a game changer. With its objective of bringing offshore financial services onshore, the IFSC offers a globally competitive regulatory environment, attractive tax incentives, and streamlined business processes. These features are drawing international investors, institutions and fintech innovators, making it a critical bridge between India's domestic financial ecosystem and global markets. The IFSC supports a wide range of cross-border activities including fund management, insurance, capital markets, and fintech services—within a robust legal and operational framework. Its evolution reflects the government's strategic ambition to establish India as a global financial services hub. Amid shifting global dynamics and a renewed focus on resilient economies, India's IFSC is poised not just to function as a financial centre but to serve as a dynamic gateway to global financial integration. It is helping to drive innovation, support sustainable finance, and contribute to India's aspirations of becoming an economic powerhouse under the vision of Viksit Bharat @ 2047.



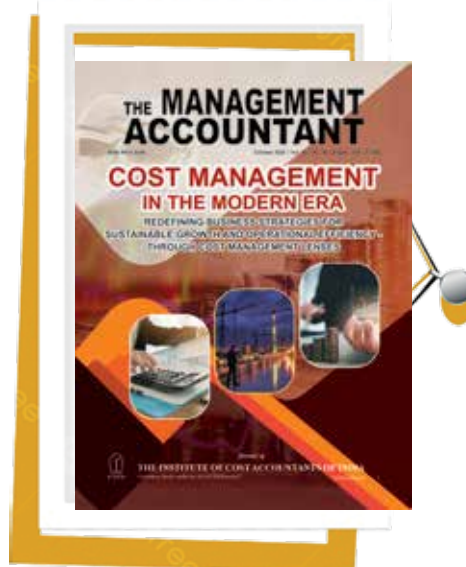
September - AI - The Genesis of the Virtual World of Business

As artificial intelligence continues to reshape business operations, the role of Cost and Management Accountants (CMAs) is evolving rapidly, often in subtle yet significant ways. Once mainly focused on cost control and compliance, CMAs are now being asked to lead AI initiatives, ensure responsible decision-making and provide financial clarity for new technologies. Far from being replaced by technology, CMAs are now central to it, helping businesses use AI more effectively and responsibly. Their ability to understand both numbers and nuances makes them essential for building trust in a digital future. The featured articles of the theme span across various domains—technology, finance, marketing, governance, and ethics—each shedding light on how AI is reshaping the roles, responsibilities and relevance of professionals in an increasingly digital era. The rise of Artificial Intelligence (AI) marks the dawn of a transformative era in the business world—one that is intelligent, interconnected and increasingly virtual.



October - Cost Management in the Modern Era: Redefining Business Strategies for Sustainable Growth and Operational Efficiency - through Cost Management Lenses

In today's rapidly evolving and highly competitive business environment, effective cost management transcends traditional notions of expense control—it has become a strategic enabler of innovation, sustainability and long-term resilience. This edition delves into how forward-looking organizations are reshaping their cost structures, embracing digital transformation and integrating sustainability into their business models to drive enhanced value creation. Through insightful research papers, case studies, and expert commentaries, we aim to provide readers with a comprehensive understanding of how cost management serves as a cornerstone for operational excellence and sustainable growth in the modern era. As businesses continue to operate in an era defined by digital disruption, environmental responsibility, and global uncertainty, cost management stands as a critical lever for achieving strategic resilience and sustainable success. The insights and perspectives shared in this edition underscore the importance of integrating financial discipline with innovation and sustainability.



November - Sustainable Finance: Steering India Towards a Greener Future

As India continues its trajectory of economic growth, integrating sustainability into financial decision-making has become a strategic necessity. Sustainable finance—anchored in green investments, ESG principles, and responsible lending—provides a framework to align capital flows with the nation's climate and development objectives. Sustainable finance has emerged as a crucial instrument for driving India's transition towards a low-carbon, resilient, and inclusive economy. With rising climate risks and ambitious national targets, including achieving net zero by 2070, financing mechanisms aligned with sustainability are pivotal. By embedding environmental and social considerations into financial systems, India can foster growth that is both resilient and inclusive. However, achieving this transition requires coordinated action. Policymakers, investors, and institutions must collaborate to strengthen green capital markets, standardize disclosure frameworks and incentivize sustainable business practices. The future of India's prosperity will depend not only on financial returns but also on our collective ability to fund progress that safeguards the planet.



December - Cost Audit: Enhancing Transparency, Efficiency and Strategic Decision-Making

In an increasingly competitive and compliance-oriented business landscape, cost audit has become an essential instrument for strengthening financial transparency and reinforcing organizational accountability. By independently validating cost records and ensuring conformity with cost accounting standards, cost audit enhances stakeholder confidence and assures them that resources are being utilized judiciously. At a time marked by evolving regulatory demands and closer scrutiny, cost audit provides clarity, reliability, and integrity in cost information, serving as a crucial pillar of sound governance. Cost audit has evolved from a statutory compliance activity into a strategic management tool that enhances transparency, operational efficiency, and informed decision making across industries. In today's globalized and technology-driven environment, cost information is not merely an accounting record—it is a competitive resource. However, the role of cost audit extends far beyond statutory compliance. It has evolved into a powerful driver of operational excellence and strategic decision-making. Insights generated through cost audit help management pinpoint inefficiencies, reduce waste, benchmark performance, and optimize resource deployment. These outcomes enable leadership to design informed strategies, improve profitability, and sustain long-term growth. Cost audit, therefore, is not just a regulatory formality—it is a strategic asset that enhances competitiveness and supports value creation.



THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

Cover Stories on the topics given below are invited for '*The Management Accountant*' for the four forthcoming months

| | | | | |
|---------------|-------|--|-----------|--|
| February 2026 | Theme | Sustainable Agriculture for a Resilient and Food-Secure Future | Subtopics | <ul style="list-style-type: none"> ⦿ National Mission on Natural Farming ⦿ Digital Agriculture Mission (DAM) ⦿ Climate-Smart Agriculture ⦿ Can Organic Agriculture Sustain the Global Population? ⦿ Activity-Based Costing (ABC) in Sustainable Agriculture ⦿ Cost-Benefit Analysis of Sustainable Agricultural Technologies ⦿ Performance Measurement and Sustainability Reporting in Agri-Business ⦿ Youth and Women in Sustainable Agriculture |
| March 2026 | Theme | Give to Gain: Women Driving Financial Sustainability through Strategic Management Accounting | Subtopics | <ul style="list-style-type: none"> ⦿ Women Leaders Giving Vision to Gain Financial Sustainability ⦿ Women Accountants as Ethical Stewards: Giving Integrity to Gain Trust ⦿ Women Mentors in Finance: Giving Guidance to Gain Growth ⦿ Women Driving Financial Inclusion: Giving Access to Gain Economic Empowerment ⦿ Women Innovators in Management Accounting: Giving Ideas to Gain Digital Advantage ⦿ Women Professionals in ESG: Giving Stewardship to Gain Sustainable Impact ⦿ Women Building Resilience: Giving Strength to Gain Organizational Stability ⦿ Women Empathetic Leadership: Giving Empathy to Gain Ethical Excellence |
| April 2026 | Theme | Financial Year 2026-27 – Digital, Dynamic, Driven | Subtopics | <ul style="list-style-type: none"> ⦿ Empowering Decisions Through Data ⦿ Agile Workflows for a Fast-Changing World ⦿ Digital Cost Optimization & Real-Time Cost Visibility ⦿ Strategic Cost Management for Sustainable Value Creation ⦿ Enhancing Cost Transparency Through Integrated ERP Systems ⦿ Sustainable Growth Through Smart Technology ⦿ Strengthening Compliance Through Evolving GST Framework ⦿ Adapting to New Labour Laws Through Digital Workforce Management - Building Skills for a Future Ready Workforce |
| May 2026 | Theme | Beyond the Horizon: Strategic Cost Management in the Evolving Aerospace Sector | Subtopics | <ul style="list-style-type: none"> ⦿ Strategic Cost Management in Aerospace & Defence (A&D): Transitioning from procurement-based accounting to Lifecycle Value and Total Cost of Ownership (TCO) ⦿ The Green Ledger: Financial implications of Carbon Offsets, Sustainable Propulsion, and ESG reporting in Aerospace ⦿ Digital Twin & AI: Driving productivity in MRO (Maintenance, Repair, and Overhaul) and Precision Manufacturing through technology ⦿ Governance & IBC in High-Capex Industries: Navigating regulatory hurdles and insolvency frameworks (Lessons on asset impairment and debt restructuring relevant to capital-intensive sectors) ⦿ Space Economics: The New Frontier for Management Accountants, analysing the commercialization of the space sector ⦿ Revenue Models in the "Power-by-the-Hour" Era: The shift from asset ownership (CAPEX) to service-based and availability-based models (OPEX) |

The above subtopics are only suggestive and hence the articles may not be limited to them only.

Articles on the above topics are invited from readers and authors along with scanned copies of their recent passport size photograph and scanned copy of declaration stating that the articles are their own original and have not been considered for anywhere else.

Please send your articles by e-mail to editor@icmai.in latest by the 1st week of the previous month.



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Call for Research Papers/Articles

We invite you to contribute research paper/article for "Research Bulletin", a peer-reviewed Quarterly Journal of The Institute of Cost Accountants of India. The aim of this bulletin is to share innovative achievements and practical experiences from diverse domains of management, from researchers, practitioners, academicians and professionals. This bulletin is dedicated to publishing high quality research papers providing meaningful insights into the management content both in Indian as well as global context.

Guidelines to submit full Paper

- Soft Copy of the full paper should be submitted in double space, 12 font size, Times New Roman, keeping a margin of 1 inch in four sides, MS Word (.doc) format.
- Each paper should be preferably within 5000 words including all.
- An abstract of not more than 150 words should be attached.
- The cover page should contain the title of the paper, author's name, designation, official address, contact phone numbers, e-mail address.

Papers are invited on the following topics, but not limited to:

- ▲ *The Impact of Artificial Intelligence (AI) on Financial Reporting Accuracy*
- ▲ *Cost-Benefit Analysis of Blockchain Adoption in Supply Chain Finance*
- ▲ *Integrating ESG Factors into Capital Budgeting Decisions*
- ▲ *Green Energy*
- ▲ *Cybersecurity in an AI-Dominated World*
- ▲ *Corporate Sustainability and Corporate Governance*
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- ▲ *Customer Relationship Management (CRM)*
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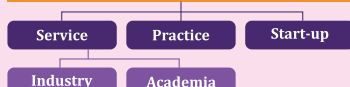
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