

VOL. 54 ISSUE 6

# WIRC BULLETIN

ISSN 2456-4982

ENGLISH MONTHLY | JUNE 2026 | PAGES 72 | PRICE RS.5/- | RNI NO. 22703/72

## AI, Blockchain & Finance: The Emerging Tech–Accountant



**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)

WESTERN INDIA REGIONAL COUNCIL



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**NOTICE****ANNUAL GENERAL MEETING**

In terms of Regulation 136 of the Cost and Works Accountants Regulation 1959, Notice is hereby given that the 67th Annual General Meeting of the Members of the Western India Regional Council of the Institute of Cost Accountants of India will be held on **Tuesday, 30th June 2026, 5:30 PM at WIRC Auditorium, Western India Regional Council of The Institute of Cost Accountants of India, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai 400001** to transact the following business:

**AGENDA**

1. To receive the Western India Regional Council's Sixty Seventh Annual Report.
2. To consider and adopt the Accounts of the Western India Regional Council for the year ended 31st March 2026, together with the Auditor's Report thereon.
3. To appoint Auditors for the year 2026-2027 and fix their remuneration.
4. To transact any other business as may be brought before the meeting with the permission of the Chair.

**Place: Mumbai**

**Date: 3rd June 2026**

By order of the Regional Council  
**CMA Mihir Narayan Vyas**  
**Chairman**

The Institute of Cost Accountants of India  
Western India regional Council

Note: Those members, who require any clarification in respect of any matter connected with the Annual Report and / or Accounts, are requested to send their queries so as to reach this office at least 5 days before the date of the meeting.

**NOTICE OF PROPOSALS (Regulation 139)**

Every member of the Institute on the Regional Register shall be entitled to table any proposal(s) or resolution(s) for the consideration of the General Meeting of the Members, provided that such proposal(s) and resolution(s) are received by the Chairman of the Regional Council at least 10 days before the date of the meeting. Any such proposal(s) received after the prescribed time will be treated as proposal(s) for the next meeting of the Members unless admitted by the Chairman of the earlier meeting.

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## 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 Cost and Management Accountant 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."





From the Desk of Chairman

**CMA Mihir Narayan Vyas**

**Chairman ICMAI -WIRC**

**“Technology may transform processes,  
but it is professional wisdom that transforms possibilities into progress.”**

**The future belongs to those who can unite intelligence with integrity, and innovation with insights.**

Dear Professional Colleagues & Students,

**Warm greetings to all of you!**

As we step into June—a month that celebrates innovation, sustainability, and progress—it is evident that the world of finance and business is undergoing a transformation unlike any witnessed before. Artificial Intelligence, Blockchain, Data Analytics, and Digital Finance are no longer futuristic concepts; they are rapidly becoming the foundation of modern enterprises and governance systems.

For Cost and Management Accountants, this transformation presents not a challenge, but an extraordinary opportunity. Today's CMA is expected to be more than a custodian of costs and compliance. The profession is evolving towards becoming a strategic business partner, a technology-enabled advisor, and a catalyst for value creation. In this dynamic landscape, professionals who can combine financial acumen with technological intelligence will lead the next era of business excellence.

### **Celebrating the 67th Foundation Day of The Institute of Cost Accountants of India**

The month of May marked a significant milestone as our esteemed Institute completed 67 glorious years of professional excellence and nation-building.

In view of the advisory and travel restrictions announced by Hon'ble Prime Minister Shri Narendra Modi Ji owing to the prevailing war situation, ICMAI-WIRC celebrated the 67th Foundation Day of The Institute of Cost Accountants of India virtually on 28th May 2026. Though physically apart, the CMA fraternity came together with immense enthusiasm and pride. A specially designed Foundation Day frame was customized and circulated among members, students and stakeholders across the Region. The overwhelming participation on social media created remarkable visibility for our profession, with members proudly displaying their association with the Institute through dedicated hashtags and digital campaigns.

The virtual celebration reflected the unity, strength and spirit of our profession. It demonstrated that while circumstances may alter the mode of celebration, they can never diminish our commitment to the Institute and its glorious legacy. I sincerely thank every member and student who contributed to making this celebration a grand success through active participation and digital outreach.

### **National Chapter Meet 2026 – Siliguri**

I am delighted to share a moment of immense pride for the Western Region. Continuing our Winning Legacy, WIRC Chapters secured 3 Best Chapter Awards and 5 PAN India Awards at the National Chapter Meet 2026.

#### **🏆 ICMAI Ahmedabad Chapter**

Best Chapter Award – Category A (WIRC)

Best Chapter for Maximum PD Programmes Conducted (PAN India) – Category A

Maximum Initiative for Branding & Visibility (PAN India) – Category A

Highest Number of Career Awareness Programmes (PAN India) – Category A

### **ICMAI Baroda Chapter**

Best Chapter Award – Category B (WIRC)

Highest Number of Career Awareness Programmes (PAN India) – Category B

### **ICMAI Pimpri Chinchwad Chapter**

Best Chapter Award – Category C (WIRC)

Best Chapter for Maximum PD Programmes Conducted (PAN India) – Category C

These prestigious recognitions reflect the dedication, innovation, and commitment of our Chapters towards professional excellence, member engagement, and student development. Heartiest congratulations to all the award-winning Chapters for bringing laurels to WIRC and setting new benchmarks for the CMA fraternity.

### **Students Felicitation Function 2026:**

One of the most memorable events of the month was the Students Felicitation Function organized on 10th May 2026 at Mumbai. The function was graced by **CMA Rajesh Patel, CFO, Mahanagar Gas Limited, as the Chief Guest**. We were also privileged by the presence of CMA (Dr.) Ashish Thatte, Central Council Member, CMA Harshad Deshpande, Central Council Member, along with my esteemed Council colleagues.

The event witnessed an overwhelming participation of approximately 800–900 students, making it one of the most vibrant student gatherings in recent times. The programme celebrated the success, dedication and hard work of our students who have excelled in their examinations. The rank holders and successful students were felicitated amidst loud applause and appreciation. The inspiring guidance shared by the dignitaries motivated students to pursue professional excellence with confidence and determination.

The event reinforced our commitment to nurturing future CMAs and creating a strong support system for student growth and success.

### **Golden Jubilee Celebration of ICMAI Nashik Chapter**

I had the privilege of attending the Golden Jubilee Celebration of ICMAI Nashik Chapter on 9th May 2026, along with my Council colleagues. On behalf of the Western Region, I extend my heartfelt congratulations to the Nashik Chapter on completing 50 glorious years of excellence, professional service and contribution to the CMA profession.

The celebration was a perfect blend of reflection, recognition and inspiration. The event honored past leaders, distinguished members and contributors whose efforts laid the foundation for the Chapter's remarkable journey. The interactive sessions, cultural performances and networking opportunities created a memorable experience for all participants.

The Golden Jubilee celebration stands as a testament to the Chapter's enduring legacy and commitment to professional development.

### **Webinar on “How to Get Your First Offer Letter”**

Recognizing the aspirations of our students and young professionals, the Task Force for Placement Cell of ICMAI organized a highly impactful webinar on “How to Get Your First Offer Letter” on 4th May 2026.

The session was conducted by CMA Rohan Sharma, Interview Success Coach, who shared practical insights on resume building, interview preparation, communication skills, professional etiquette and placement strategies.

The webinar provided students with a structured roadmap for securing both campus and off-campus opportunities. The enthusiastic participation and positive feedback reflected the growing importance of career readiness initiatives within our profession.

### **Campus Placement Programme 2026 – A Remarkable Success**

I am pleased to inform you that the Campus Placement Programme for December 2025 qualified CMAs was conducted from 11th to 13th May 2026 in Mumbai by the Career Counselling & Placement Committee of the Institute. The results have been truly encouraging. Approximately 200 newly qualified CMAs from the Western Region secured placements through the campus recruitment process. The highest package offered was approximately ₹21 Lakhs per annum, while the average package stood at around ₹12 Lakhs per annum.

These impressive outcomes demonstrate the growing recognition and demand for CMA professionals across industries. They also reaffirm the trust that leading organizations place in the competence, analytical capabilities and strategic value offered by Cost and Management Accountants. Congratulations to all the successful candidates, and best wishes for their professional journey ahead.

### **Professional Development Activities**

The Western Region continues to remain committed to continuous learning and professional excellence.

#### **Webinar on ERP Controls, Audit Trails and Risk Management**

The Professional Development Committee jointly with the Task Force for Women Empowerment organized an insightful webinar on ERP Controls, Audit Trails and Risk Management on 20th May 2026 by CMA Jeba Gatlin. The session provided valuable perspectives on strengthening governance, compliance and risk management frameworks in organizations.

#### **Webinar on CSR & Its Related Compliances**

The Professional Development Committee jointly with the Members & Chapters Coordination Committee organized a webinar on “CSR & Its Related Compliances” on 30th May 2026 by CS Nachiket Sohani. Participants gained practical knowledge on the evolving CSR regulatory framework and compliance requirements.

#### **Seminar on The Corporate Laws (Amendment Bill 2026) – Impact on the CMA Profession**

The Professional Development Committee organized an engaging seminar on The Corporate Laws (Amendment Bill 2026) – Impact on the CMA Profession.

The seminar featured distinguished speakers CMA Ashwinkumar Dalwadi, Former President & Central Council Member, ICAI and CMA Malhar Dalwadi, Practicing Cost Accountant & Co-opted Member, Professional Development Committee, ICAI-WIRC.

The programme was further enriched by the gracious presence of CMA Neeraj Joshi, Vice President, ICAI. The seminar provided participants with valuable insights into legislative developments and their implications for the profession.

#### **Marathon Lectures for June 2026 Examination**

To support students appearing for the June 2026 Foundation, Intermediate and Final Examinations, the Students Coordination Committee of ICAI-WIRC organized Marathon Revision Lectures commencing from 28th May 2026. Renowned faculty members and subject experts conducted intensive revision sessions covering key examination areas, practical concepts and strategic preparation techniques. These lectures are designed to boost students' confidence and enhance their performance in the examinations.

I extend my best wishes to all students appearing for the June 2026 examinations. Stay focused, remain disciplined and approach your examinations with confidence. Your dedication and perseverance will certainly lead you to success.

The business landscape is witnessing rapid transformation driven by sustainability reporting, digital technologies, artificial intelligence, data analytics and governance reforms. CMAs are increasingly becoming strategic partners in organizational growth, value creation and decision-making.

As we move forward, I encourage all members and students to continuously upgrade their skills, embrace innovation and contribute meaningfully towards nation-building. Together, let us strengthen the profession and uphold the highest standards of excellence, ethics and sustainability.

Let us move forward with renewed energy, purpose and commitment to professional excellence.

**“Success is not measured by what we accomplish alone,  
but by the positive impact we create for society and future generations.”**

With warm regards,

**CMA Mihir Narayan Vyas**

Chairman

Western India Regional Council

The Institute of Cost Accountants of India



Written by,

## CMA Nanty Nalinkumar Shah

Vice Chairman ICMAI - WIRC &  
Chairman, Editorial Board - WIRC Bulletin

Dear Professional colleagues,  
Greetings!

**“Technology is best when it empowers professionals not merely to work faster, but to think deeper, act wiser, and create greater value.”**

June marks not only the advent of a new season but also a period of renewed learning, innovation, and professional evolution. It is therefore most fitting that the theme of this month's WIRC Bulletin is **“AI, Blockchain & Finance: The Emerging Tech-Accountant.”** As technology continues to redefine industries and reshape business ecosystems, finance professionals are increasingly being called upon to blend traditional expertise with digital intelligence. The modern Cost and Management Accountant is no longer merely a custodian of financial information but a strategic partner driving transformation through data, analytics, automation, and emerging technologies.

This edition presents a rich blend of knowledge, research, practical insights, and forward-looking perspectives. Readers will find thought-provoking articles on AI-enabled costing for smarter decision-making, the evolving role of accountants in the digital economy, technology-driven GST administration, AI-powered accounting and auditing, e-Invoicing 3.0, predictive analytics, judicial applications of artificial intelligence, and practical frameworks for deploying AI in taxation and advisory services. The issue further broadens its scope with discussions on the demerger of Maharashtra's electricity distribution sector and strategic perspectives on addressing the 2026 fuel crisis in India. Together, these contributions offer a comprehensive view of the opportunities and challenges shaping the future of finance and governance.

I extend my sincere gratitude to all our esteemed authors, contributors, reviewers, and knowledge partners whose valuable insights have enriched this publication. Their dedication to sharing expertise and thought leadership continues to strengthen the intellectual capital of our professional community and makes this bulletin a meaningful platform for learning and knowledge dissemination. Looking ahead, the theme for our next edition is **“The Cooperative Economy: Governance, Accountability & Financial Resilience.”** Cooperatives play a pivotal role in fostering inclusive growth, community empowerment, and sustainable economic development. I warmly invite members, academicians, professionals and researchers to contribute their articles, viewpoints, case studies, and research papers on this significant and timely subject.

Let us embrace innovation with responsibility, leverage technology with wisdom, and continue upholding the highest standards of professional excellence. The future belongs to those who can combine human judgment with technological capability, transforming challenges into opportunities for sustainable growth.

I also extend my heartfelt best wishes to all students appearing for the June 2026 Examination Term. May your dedication, perseverance, and hard work yield outstanding success. Approach your examinations with confidence, determination, and a positive mindset. The entire professional fraternity stands with you in wishing you a bright and successful future.

Happy Reading!

Warm Regards,

**CMA Nanty Nalinkumar Shah**

Vice Chairman ICMAI - WIRC &

Chairman, Editorial Board - WIRC Bulletin



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## AI-Enabled Costing for Smarter, Data-Driven Decisions

### Abstract(150–180 words)

Artificial Intelligence (AI) is reshaping cost and management accounting by enabling more accurate cost allocation, real-time forecasting, and actionable insights for operational and strategic decisions. AI-enabled costing integrates machine learning, natural language processing, and advanced analytics with traditional costing frameworks (such as activity-based costing, standard costing and lifecycle costing) to process large, heterogeneous datasets from ERP systems, IoT sensors, procurement platforms, and market feeds. This integration helps organisations identify hidden cost drivers, optimise resource use, automate routine processes, and simulate future cost scenarios under multiple assumptions. As a result, finance and operations teams can move from reactive variance explanations to proactive cost steering, scenario planning, and continuous performance improvement. Implementation challenges include data quality, change management, governance, model interpretability, and regulatory/compliance considerations. With proper governance, human oversight, and alignment with business strategy, AI-enabled costing can deliver measurable benefits in cost efficiency, pricing strategy, product profitability, and capital allocation—turning costing from a reporting function into a strategic, data-driven capability.

### 1. Introduction

Costing has historically been the backbone of managerial decision-making—enabling pricing, product mix choices, budgeting, and performance evaluation. Traditional costing techniques rely on historic records, manual allocations, and periodic reconciliations, which can be slow and insufficiently granular for today's fast-moving, digital supply chains and service models. The rapid growth of data (transactional, operational, sensor, and external market data) and advances in AI create an opportunity to transform costing from an end-of-period reporting exercise into a continuous, predictive, and prescriptive management capability. AI-enabled costing uses algorithms to discover patterns, predict future cost behavior, automate allocation and reconciliation tasks, and recommend actions. This article explores the concepts, technologies, use cases, benefits, implementation considerations, and future directions of AI-enabled costing for smarter, data-driven decisions.

### 2. Why evolve costing with AI?

- Increasing data volume and variety: Modern organisations capture detailed transactional, production, logistics, and service-delivery data that traditional costing systems cannot fully exploit.
- Need for speed and agility: Business cycles are shorter; finance needs near-real-time cost insights for quick decisions.
- Complexity of cost drivers: Indirect costs, multi-stage production, shared services, and global supply chains make simple allocation bases inadequate.
- Strategic value: Costing informs strategic moves—outsourcing, make vs buy, product rationalisation—and AI can provide scenario-based evidence.

### 3. Core technologies behind AI-enabled costing

- Machine Learning (ML): Supervised and unsupervised ML models identify cost behaviors, drivers, and clusters (for example, grouping SKUs with similar cost patterns), and predict future costs based on leading indicators.
- Time Series Forecasting: Advanced models (e.g., ARIMA, Prophet, LSTM/Transformer-based models) forecast cost elements driven by demand, input prices, and seasonality.
- Natural Language Processing (NLP): Extracts cost-relevant information from invoices, contracts, maintenance logs, and vendor emails—automating classification and extraction of attributes (e.g., billing terms, chargebacks).
- Robotic Process Automation (RPA): Automates repetitive, rule-based tasks such as uploading invoices, matching purchase orders, and reconciling subledger data with general ledger postings.

- Optimization and Prescriptive Analytics: Mathematical and AI optimization models recommend resource allocations, inventory levels, or process changes that minimise cost subject to constraints (quality, lead time).
- Explainable AI (XAI): Models and visualization tools that provide transparency of predictions and allocations, necessary for auditability and managerial trust.

## 4. Use cases: How AI augments costing processes

### 4.1 Activity-Based Costing (ABC) at scale

AI can automate the identification of activities and cost drivers by analysing event logs, machine telemetry, and transaction patterns, enabling continuous ABC rather than periodic snapshots. Machine learning can dynamically estimate driver rates and reallocate indirect costs more precisely across products, customers, or channels.

### 4.2 Cost prediction and forecasting

AI models ingest demand forecasts, commodity price feeds, and operational data to forecast material, labor, and overhead costs. This improves budgeting accuracy and enables rolling forecasts rather than static annual budgets. Forecasts can be generated at granular levels (SKU, plant, shift) enabling granular margin analysis.

### 4.3 Automated allocation and reconciliation

RPA and ML can match invoices to purchase orders, assign costs to proper cost centers, and reconcile subledger balances with general ledgers—reducing manual errors and cycle time for month-end close.

### 4.4 Cost anomaly detection and root-cause analysis

Unsupervised learning and statistical process control methods flag unexpected cost spikes (e.g., supplier price increases, wastage), and causal ML techniques can help identify likely drivers (machine breakdowns, material yield drops, human error).

### 4.5 Price and product profitability optimization

AI links costing with customer, sales, and market data to analyze product and customer profitability under different pricing and promotion scenarios. Prescriptive models recommend price changes, bundling strategies, or product discontinuation to maximize margin.

### 4.6 Life-cycle and total cost of ownership (TCO) analysis

Predictive maintenance models and total cost models predict repair, spare parts, and downtime costs for capital assets—helping capital-allocation decisions and leasing vs buying analysis.

### 4.7 Procurement and supplier management

AI analyses supplier invoices, lead times, quality metrics, and market intelligence to determine real total procurement cost, enabling better supplier selection, renegotiation of contracts, and strategic sourcing decisions.

### 4.8 Scenario modeling and stress testing

Generative and simulation techniques allow finance teams to run thousands of scenarios (input price shocks, demand collapses, labor shortages) to quantify potential cost exposures and prepare mitigation plans.

## 5. Benefits of AI-enabled costing

- Improved accuracy and granularity: More precise cost allocations reduce cross-subsidisation between products and reveal true product and customer profitability.
- Faster close and decision cycles: Automation reduces manual bottlenecks, shortening the time to actionable insights.
- Better forecasting and planning: Predictive models reduce forecasting error and enable proactive cost control.
- Enhanced strategic decisions: Data-driven insights support pricing, outsourcing, and product portfolio choices.
- Cost savings and efficiency: Automated reconciliation and anomaly detection lower processing costs and reduce leakage.
- Continuous improvement: Real-time feedback loops between operations and costing encourage incremental process improvements.

## 6. Implementation roadmap and best practices

### 6.1 Begin with clear objectives

Start by defining the business questions you want costing to answer—product profitability, margin leakage, pricing, or procurement optimisation—so the technology targets measurable outcomes.

## 6.2 Data readiness and integration

AI success depends on data quality, availability, and integration. Assemble data from ERP, MES, procurement platforms, CRM, IoT sensors, and external market feeds. Cleanse, standardize, and create master data (items, suppliers, cost centers).

## 6.3 Choose the right use cases to pilot

Select high-impact, feasible pilots—e.g., SKU clustering to reduce SKU proliferation, automating invoice matching, or predictive maintenance for a high-cost asset class. Quick wins build momentum.

## 6.4 Technology and platform selection

Decide between cloud vs on-premise, in-house build vs vendor solutions, and open-source vs commercial ML toolsets. Ensure the platform supports model retraining, versioning, and explainability.

## 6.5 Governance, controls and auditability

Establish governance for data access, model validation, performance monitoring, and periodic audits. Maintain model documentation, assumptions, and explainability reports to satisfy internal and external auditors.

## 6.6 People and change management

Prepare finance, operations, procurement, and IT teams for new workflows. Invest in upskilling finance professionals on data analytics and in training business users on interpreting AI outputs.

## 6.7 Measurement and KPIs

Track measurable KPIs: forecast accuracy (MAPE), reduction in manual reconciling time, improvement in margin by SKU/customer, time to close, anomaly detection precision and recall, and ROI of AI investments.

# 7. Key challenges and mitigation strategies

## 7.1 Data quality, completeness and silos

Data may be fragmented across legacy systems, with inconsistent master data and poor lineage. Mitigation: invest in a focused data-cleaning program and a master-data management initiative before full AI deployment.

## 7.2 Model interpretability and trust

Black-box models can hinder managerial trust and regulatory acceptance. Mitigation: adopt explainable AI techniques, use simpler interpretable models where possible, and provide visual explanations for allocations and predictions.

## 7.3 Change management and cultural resistance

Operational and finance staff may fear automation or distrust model outputs. Mitigation: involve stakeholders early, run joint workshops, and present AI as decision-augmentation (not replacement) with pilot successes showcased.

## 7.4 Governance, ethics and control

Automated allocations and pricing recommendations may have compliance and ethical implications. Mitigation: define policies for model usage, human sign-offs for critical decisions, and logging of automated actions.

## 7.5 Data privacy and regulation

Using customer or supplier data across jurisdictions raises privacy and regulatory concerns. Mitigation: implement data minimization, anonymization, encryption, and follow local regulatory requirements for cross-border data flows.

## 7.6 Skill gaps and vendor risk

Organisations may lack internal AI skills, and vendor solutions may lead to lock-in. Mitigation: combine internal capability building with careful vendor selection, pilot proofs-of-concept, and contractual clauses ensuring portability.

# 8. Integration with existing costing frameworks

AI should not be seen as a replacement for accounting standards and frameworks but as an augmentation to provide richer,

evidence-based costing insights.

### 8.1 AI and Activity-Based Costing (ABC)

AI enables continuous ABC, dynamically estimating driver rates and reallocating indirect costs as operations change, overcoming the static nature and manual burden of traditional ABC.

### 8.2 AI and Standard Costing and Variance Analysis

Machine learning can predict standard cost variances based on leading indicators and provide root-cause probabilities—helping managers focus on the most material variances.

### 8.3 AI and Life-Cycle Costing

When combined with predictive maintenance and demand forecasting, AI enriches life-cycle cost estimations, improving long-term investment decisions.

### 8.4 AI and Target Costing

AI assists in competitive price intelligence and cost-to-target analyses, enabling design and engineering teams to meet margin objectives earlier in product development.

## 9. Case examples (illustrative)

Note: These are composite, illustrative examples intended to demonstrate how organisations apply AI to costing.

### 9.1 Manufacturing company: reducing cost per unit

A multi-plant manufacturer implemented AI to cluster SKUs by cost behavior, identify high-waste production runs, and forecast material usage. The result: 8–12% reduction in cost per unit through schedule optimization and waste reduction; monthly cost reporting time fell by 40%.

### 9.2 Services firm: project profitability

A consulting firm used natural language processing to extract billable and non-billable hours from project logs and combined it with resource cost models to produce real-time project profitability dashboards—improving bid pricing and reducing margin leakage.

### 9.3 Utilities / Mining: asset total cost of ownership

A mining operator integrated sensor data and AI predictive maintenance models with costing systems to forecast downtime and repair costs. Decisions on spare-parts stocking and capital replacement were optimized, reducing TCO by 10–15% over three years.

### 9.4 Retail: dynamic product profitability

A retail chain combined POS, returns, promotion, and supplier rebate data with AI-driven costing to calculate real margin per SKU-store. This enabled smarter promotion planning and supplier negotiations, and eliminated loss-making SKUs.

## 10. The role of finance professionals: from bean-counters to strategic partners

AI shifts the role of cost and management accountants from data collection and ledger maintenance to interpretation, modeling, and strategic advising. Key capabilities for finance professionals include:

- Data literacy and analytics proficiency.
- Understanding of ML model assumptions and limitations.
- Communication skills to translate AI insights into operational actions.
- Governance and ethical oversight of AI applications.

Organisations should invest in reskilling programs for finance teams so they can validate models, interrogate outputs, and lead cross-functional decision forums.

## 11. Vendor landscape and build vs buy considerations

Businesses must choose between in-house developed analytics platforms, ERP-integrated vendor modules, or specialized AI vendors. Considerations include:

- Time-to-value: vendor solutions may deploy faster; in-house builds offer customization.
- Data security and control: sensitive cost data may favor on-premise or trusted cloud deployments.
- Integration: seamless integration with ERP and source systems reduces reconciliation overhead.

- Support and continuity: evaluate vendor track record, SLAs, and exit provisions.

## 12. Measuring ROI and business impact

Quantifying outcomes is critical to sustain investment:

- Direct cost savings (automation, process improvement).
- Improved gross margin from better pricing and product mix.
- Reduced working capital due to optimized inventory and procurement.
- Reduced time to close and improved forecast accuracy.
- Intangible benefits: improved decision speed, employee satisfaction, and strategic agility.

Set a baseline, apply pilots with clear KPIs, and measure improvement over defined time frames to build the business case for enterprise rollout.

## 13. Ethical, legal and audit considerations

Transparency and compliance are core to finance functions:

- Audit trails: every automated allocation, model run, and override should be logged.
- Explainability: maintain documentation of model logic and assumptions for auditors and regulators.
- Bias and fairness: ensure models do not unintentionally discriminate (e.g., routing costs that disadvantage certain business units).
- Regulatory compliance: adhere to local tax and accounting rules; document changes to costing methodology where they affect statutory reporting.

## 14. Future trends and research directions

- Real-time closed-loop costing: As streaming data and edge computing mature, organizations will be able to update costs continuously and drive operational corrections in near real-time.
- Integration with digital twins: Coupling AI costing models with digital twins of factories will enable simulated experiments and “what-if” analyses before implementing changes on the shop floor.
- Causal ML and counterfactual analysis: Beyond correlation, causal models will help determine which interventions genuinely reduce costs.
- Federated learning for cross-company benchmarking: Privacy-preserving learning across firms (without sharing raw data) can create sector benchmarks for cost drivers and best practices.
- Responsible AI and regulatory frameworks: As AI in finance becomes pervasive, expect more formal standards for model governance, explainability, and auditability.

## 15. Practical checklist for CFOs and CMAs

- Define priority costing questions and KPIs.
- Audit current data sources; build a master-data plan.
- Run focused pilots with measurable outcomes.
- Ensure governance, audit trails and model explainability.
- Upskill finance teams in analytics and AI literacy.
- Integrate AI outputs into decision forums and monthly management reporting.
- Monitor model drift and retrain models regularly.
- Engage legal and compliance early for privacy and regulatory alignment.

## 16. Conclusion

AI-enabled costing is not merely a technology upgrade; it represents a shift in how organisations perceive, measure, and manage cost. When thoughtfully implemented, AI augments traditional costing by providing richer, timelier, and more actionable insights—transforming costing into a forward-looking strategic tool. The potential benefits—improved accuracy, faster decisions, reduced leakage, and better strategic resource allocation—are significant, but realising them requires disciplined data work, governance, skilled people, and alignment with business objectives. For CMAs, CFOs, and operational leaders, embracing AI in costing offers an opportunity to elevate finance from record-keeping to strategic stewardship of resources in a data-driven enterprise.

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## Will AI Replace Accountants? The Evolving Role of CMAs in the Digital Economy

### 1. Introduction

- The accounting and finance profession has undergone major technological changes over the years.
- From manual bookkeeping to ERP systems and cloud accounting, technology has continuously transformed financial operations.
- Today, Artificial Intelligence (AI), automation, blockchain, and predictive analytics are reshaping the finance industry at an unprecedented pace.
- Businesses are increasingly adopting AI-driven tools for:
  - Invoice processing
  - Reconciliations
  - Payroll management
  - Fraud detection
  - Financial forecasting
  - Compliance reporting
- This transformation has created an important question:

“Will AI replace accountants?”

- Many professionals fear that automation may eliminate traditional accounting jobs.
- However, AI can automate repetitive tasks but cannot completely replace professional judgment, ethics, strategic thinking, and business understanding.
- The role of Cost and Management Accountants (CMAs) is evolving from traditional accounting functions to strategic business advisory roles.
- Instead of being replaced, CMAs are becoming more valuable in the digital economy.

### 2. Understanding Artificial Intelligence in Finance and Accounting

#### Meaning of AI in Finance

- Artificial Intelligence refers to the use of intelligent systems and algorithms that can:
  - Process data
  - Learn patterns
  - Predict outcomes
  - Automate repetitive tasks
  - Support decision-making

#### Major Technologies Used

##### a) Machine Learning

- Systems learn from historical financial data.
- Helps in forecasting trends and identifying irregularities.

##### b) Robotic Process Automation (RPA)

- Automates repetitive accounting activities.
- Reduces manual intervention.

**c) Predictive Analytics**

- Uses historical data for forecasting:
  - Sales
  - Costs
  - Cash flows
  - Demand patterns

**d) Natural Language Processing (NLP)**

- Helps systems understand and process human language.
- Used in AI chatbots and financial assistants.

**3. Applications of AI in Accounting and Finance****a) Automated Bookkeeping**

- AI software can automatically:
  - Record transactions
  - Categorize expenses
  - Prepare ledgers
- Reduces manual data entry errors.

**Example:**

- Tally and cloud accounting systems now provide automated bookkeeping features.

**b) Invoice Processing**

- AI can:
  - Scan invoices
  - Match purchase orders
  - Approve transactions
  - Detect duplicate invoices

**Example:**

- SAP and Oracle ERP systems use AI-powered invoice management tools.

**c) Reconciliation**

- AI-based software performs:
  - Bank reconciliations
  - GST reconciliations
  - Vendor reconciliations
- Faster and more accurate compared to manual methods.

**d) Fraud Detection**

- AI systems identify:
  - Unusual transactions
  - Suspicious payment patterns
  - High-risk entries

**Example:**

- Banks use AI tools to monitor fraudulent financial activities in real time.

**e) Predictive Financial Analytics**

- AI helps businesses:
  - Forecast future sales
  - Estimate costs
  - Predict cash flow requirements
  - Analyze market trends

**Example:**

- Manufacturing companies use predictive analytics for inventory planning and cost control.

**d) AI in Auditing**

- Audit firms use AI for:
  - Risk assessment
  - Transaction analysis
  - Continuous auditing
  - Detection of anomalies

**Example:**

- Big 4 firms increasingly use AI-enabled audit systems.

## 4. Areas Where AI May Replace Traditional Accounting Tasks

**a) Data Entry**

- Manual accounting entries are increasingly automated.
- AI systems capture and process financial data instantly.

**b) Payroll Processing**

- Salary calculations, deductions, and compliance filings can be automated.

**c) Routine Reconciliations**

- Bank and vendor reconciliations now require minimal manual effort.

**d) Standardized Financial Reporting**

- AI tools can generate:
  - Profit & Loss Accounts
  - Balance Sheets
  - Cash Flow Statements
  - MIS Reports

**e) Tax Compliance**

- Automated GST and tax filing systems reduce repetitive compliance work.

**f) Basic Audit Procedures**

- AI tools can examine complete transaction datasets instead of sample testing.

## 5. Why CMAs Cannot Be Completely Replaced

**a) Strategic Decision-Making**

- AI provides data.
- CMAs interpret that data for business decisions.

**Example:**

- AI may predict rising raw material costs.
- CMAs decide:
  - Whether to increase prices
  - Reduce expenses
  - Change suppliers
  - Modify budgets

**b) Cost Optimization**

- CMAs analyze:
  - Cost behavior

- Operational efficiency
- Profitability
- Resource utilization
- Human judgment is required to understand practical business realities.

#### **b) Ethical Responsibilities**

- AI lacks:
  - Professional ethics
  - Moral reasoning
  - Accountability
- CMAs ensure:
  - Transparency
  - Compliance
  - Integrity in reporting

#### **Example:**

- During financial pressure, professionals ensure that financial statements are not manipulated.

#### **d) Human Interaction and Leadership**

- CMAs interact with:
  - Management
  - Investors
  - Auditors
  - Banks
  - Regulatory authorities
- Communication and negotiation skills cannot be replaced by machines.

#### **e) Business Understanding**

- Financial decisions depend on:
  - Market conditions
  - Customer behavior
  - Economic trends
  - Industry challenges
- AI cannot fully understand business complexity like humans.

#### **f) Crisis Management**

- During uncertain situations such as:
  - Economic slowdown
  - Supply chain disruptions
  - Pandemic conditions
- Strategic human judgment becomes critical.

#### **Example:**

- During COVID-19, finance professionals played major roles in:
  - Liquidity planning
  - Cost restructuring
  - Business continuity decisions

## **6. Evolving Role of CMAs in the Digital Economy**

### **Traditional Role of CMAs**

Earlier CMAs focused mainly on:

- Cost sheets
- Budgeting
- Variance analysis
- Cost control

- Financial reporting

### **Modern Role of CMAs**

Today CMAs are expected to:

- Support strategic decisions
- Analyse business performance
- Improve profitability
- Manage risks
- Interpret financial analytics
- Act as business advisors

### **CMAs as Strategic Partners**

- Modern organizations expect finance professionals to contribute beyond accounting.
- CMAs now participate in:
  - Strategic planning
  - Investment decisions
  - Performance management
  - Operational improvements

## **7. Skills Required for Future CMAs**

### **a) Data Analytics**

- Understanding financial dashboards and business analytics tools.

### **b) AI Awareness**

- Basic understanding of AI systems and automation tools.

### **c) ERP Knowledge**

- Familiarity with:
  - SAP
  - Oracle
  - Microsoft Dynamics
  - Cloud accounting systems

### **d) Financial Modelling**

- Ability to analyse business scenarios and forecast outcomes.

### **e) Strategic Thinking**

- Ability to convert financial data into business decisions.

### **f) Communication Skills**

- Presentation and advisory capabilities are becoming increasingly important.

### **g) Cybersecurity Awareness**

- Understanding digital risks and data protection.

## **8. Challenges and Risks of AI in Accounting**

### **a) Data Privacy Concerns**

- Financial data stored digitally may face cybersecurity risks.

### **b) Overdependence on Automation**

- Excessive reliance on AI may reduce human oversight.

### **c) Algorithmic Bias**

**d) Job Displacement Concerns**

- Routine accounting roles may reduce due to automation.

**e) Regulatory Challenges**

- Laws and regulations are still evolving for AI governance.

## 9. Opportunities Created by AI for CMAs

**a) Better Decision-Making**

- AI provides faster and deeper financial insights.

**b) Improved Productivity**

- Automation reduces time spent on repetitive tasks.

**c) Focus on Strategic Roles**

- CMAs can focus more on:
  - Planning
  - Analysis
  - Advisory services

**d) Real-Time Reporting**

- Businesses can make quicker and more informed decisions.

**e) Enhanced Risk Management**

- AI helps identify financial risks earlier.

## 10. Conclusion

- Artificial Intelligence is transforming the accounting profession rapidly.
- Routine and repetitive accounting activities are increasingly becoming automated.
- However, AI cannot fully replace the professional judgment, ethics, strategic thinking, and leadership qualities of CMAs.
- The role of accountants is not disappearing; it is evolving.
- Future CMAs must combine:
  - Financial expertise
  - Analytical thinking
  - Technological awareness
  - Strategic decision-making abilities
- Professionals who adapt to technological change will remain highly valuable in the digital economy.
- AI should not be viewed as a threat but as a tool that enhances efficiency and supports better business decisions.
- The future belongs to finance professionals who can effectively work alongside technology rather than compete against it.
- Ultimately, CMAs of the future will act not merely as accountants, but as strategic business partners driving growth, efficiency, and innovation in organizations.



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## "AI Exploring GST: Then to Tomorrow" !!! (A Constructive Review by CMA)

### Abstract -

The article "GST - THEN TO TOMORROW" !!! ( A Critical Cum Constructive Evaluation by a CMA) traces India's Goods and Services Tax (GST) journey since its 2017 launch as a transformative reform replacing a fragmented tax regime with a unified, destination-based system. It highlights pre-GST cascading taxes, interstate barriers and objectives like seamless Input Tax Credit, national market creation, transparency and economic formalization. Initial challenges included technological shocks for MSMEs, frequent amendments, complex returns, working capital blockages and portal glitches, affecting businesses, professionals, government and consumers. Resolutions involved return simplifications (e. g., GSTR-3B, QRMP), e-invoicing, e-way bills, amnesty schemes and digital adoption. Major reforms up to Finance Act 2026 usher in "GST 2. 0" with post-supply discount relaxations, intermediary service fixes, refund rationalization and appellate strengthening. Achievements include unified markets and revenue growth, but weaknesses persist: multiple slabs, compliance burdens, litigation and over-criminalization. Constructive suggestions advocate slab reduction, trust-based administration, petroleum/electricity inclusion, AI/blockchain integration and automated systems. CMAs are positioned as key strategists in techno-commercial GST management. The conclusion envisions GST as a "Growth Supporting Transformation" balancing revenue, ease of business and innovation.



### Contents of Article -

#### 1.0 Introduction

##### 1.1 GST - One of India's Biggest Economic Reforms

The introduction of Goods and Services Tax (GST) on 1st July 2017 marked one of the most transformative fiscal reforms in independent India. GST was not merely a taxation reform; it was an attempt to restructure India's fragmented economic system into a unified, transparent, technology-driven and destination-based indirect taxation framework.

Before GST, India had a highly complex indirect tax regime comprising multiple Central and State taxes such as -Central Excise Duty, Service Tax, Value Added Tax (VAT), Central Sales Tax (CST), Entry Tax, Octroi, Luxury Tax, Entertainment Tax, Purchase Tax, Advertisement Tax and various cesses. These taxes created overlapping compliances, cascading effects, classification disputes and interstate trade barriers. Businesses had to deal with multiple departments, multiple registrations and inconsistent state-level tax structures.

GST attempted to replace this fragmented structure with the philosophy of:

**"One Nation - One Tax - One Market. "**

##### 1.2 Historical Background of GST

The concept of GST in India was first seriously discussed around the year 2000. An empowered committee of State Finance Ministers was constituted to examine its feasibility. Subsequently, in the Union Budget 2006-07, GST was formally proposed.

However, due to India's federal structure, implementation required extensive negotiations between the Centre and States. Finally, the Constitution (101st Amendment) Act, 2016 paved the way for GST implementation.

At the midnight session of Parliament on 1st July 2017, GST was officially launched as a historic economic reform.

### 1.3 Why Was GST Introduced?

The primary objectives behind GST introduction were:

#### 1.3.1 Removal of Cascading Effect

Under the old system, tax was levied upon tax. Input credit mechanisms were fragmented and incomplete. GST sought to eliminate this “tax on tax” burden through seamless Input Tax Credit (ITC).

#### 1.3.2 Creation of Unified National Market

GST aimed to remove interstate tax barriers and create a common Indian market.

#### 1.3.3 Transparency & Digital Governance

GST introduced digital return filing, invoice matching, e-way bills and electronic compliance systems to improve transparency.

#### 1.3.4 Formalization of Economy

GST intended to bring unorganized businesses into the formal tax ecosystem.

#### 1.3.5 Ease of Doing Business

Simplified tax structures were expected to improve India’s global business competitiveness.

#### 1.3.6 Better Revenue Collection

Technology-based compliance systems were expected to reduce tax evasion and improve government revenue.

## 2.0 Initial Challenges After Introduction of GST

### 2.1 Difficulties Faced by Businessmen

#### 2.1.1 Technological Shock

The biggest challenge faced by Indian businessmen was technological adaptation. Traditional businesses, especially MSMEs and traders from semi-urban and rural India, were not prepared for fully digital tax compliance.

Many small taxpayers lacked -

1. computer literacy,
2. internet infrastructure,
3. accounting software,
4. technical understanding of GST procedures.

#### 2.1.2 Frequent Amendments and Notifications

In the initial years, GST law witnessed continuous amendments, circulars, notifications, clarifications and procedural changes. Businesses struggled to keep themselves updated.

Many taxpayers felt that:

“GST law changes faster than businesses can understand it.”

#### 2.1.3 Complex Return Filing System

The original GST structure proposed:

GSTR-1,

GSTR-2,

GSTR-3, with invoice matching mechanisms.

This system became extremely complicated for ordinary taxpayers.

#### 2.1.4 Working Capital Blockage

Exporters and manufacturers faced severe working capital issues because:

refunds were delayed, ITC remained blocked and procedural mismatches delayed credit availability.

#### 2.1.5 Multiple GST Rates

GST introduced several tax slabs:

0%, 5%, 12%, 18%, 28%.

This created classification disputes and interpretational confusion.

## 2.2 Difficulties Faced by Professionals

Professionals such as CMAs, CAs and CS faced enormous challenges due to - continuous amendments, technological compliance, portal glitches, reconciliation issues, e-way bill complexities and frequent interpretational disputes.

GST transformed taxation practice from traditional accounting into techno-commercial compliance management.

## 2.3 Difficulties Faced by Government

The Government itself faced several operational challenges:

GST portal crashes, coordination between Centre and States, officer training, revenue-sharing concerns, anti-evasion mechanisms and stabilization of compliance systems.

## 2.5 Difficulties Faced by Consumers

Consumers experienced -

confusion regarding tax rates, temporary inflationary pressures, hidden pricing effects and lack of awareness regarding GST benefits.

## 3.0 How Initial GST Difficulties Were Gradually Resolved

### 3.1 Simplification of Return Filing

The Government gradually simplified return systems by introducing - GSTR-3B, simplified reconciliation and practical compliance relaxations.

### 3.2 QRMP Scheme

The Quarterly Return Monthly Payment (QRMP) Scheme significantly reduced compliance burden on small taxpayers.

### 3.3 E-Invoicing System

E-invoicing improved -

invoice standardization, fraud prevention, digital integration and real-time tax monitoring.

### 3.4 Stabilization of GST Portal

Continuous technological improvements gradually stabilized the GST portal and improved user experience.

### 3.5 E-Way Bill Improvements

The e-way bill system became more efficient after technological refinements and infrastructure improvements.

### 3.6 Amnesty Schemes and Relief Measures

The Government introduced -

late fee waivers, amnesty schemes, interest relief and compliance relaxation measures.

These steps helped taxpayers regularize defaults.

### 3.7 Awareness and Digital Adoption

Gradually - digital accounting, ERP systems, cloud compliance and GST software adoption increased substantially. Businesses slowly adapted to the GST ecosystem.

## 4.0 Major GST Reforms and Amendments Till Finance Act, 2026

### 4.1 Introduction of E-Way Bill

The e-way bill mechanism revolutionized movement tracking of goods and improved tax monitoring across states.

### 4.2 E-Invoicing Framework

1. E-invoicing strengthened -
2. invoice authentication,
3. fraud detection,
4. real-time reporting,
5. digital compliance systems.

**4.3 Aadhaar Authentication**

Aadhaar authentication improved registration verification and reduced fake entities.

**4.4 Dynamic QR Code System**

Dynamic QR codes enhanced invoice transparency and digital payment integration.

**4.5 Rule 36(4) and ITC Restrictions**

The Government imposed ITC restrictions to curb fake invoice frauds. However, genuine taxpayers also faced hardship due to dependency on supplier compliance.

**4.6 Amnesty Schemes**

Various amnesty schemes reduced litigation and encouraged voluntary compliance.

**4.7 GST Appellate Tribunal Developments**

Efforts were initiated to operationalize GST Appellate Tribunals for faster dispute resolution.

**4.8 Invoice Management System (IMS)**

The Invoice Management System improved invoice synchronization and compliance monitoring.

**5.0 Finance Act, 2026 - Beginning of GST 2.0**

The Finance Act, 2026 marks a major transition toward “GST 2.0” - a more business-friendly, technology-driven, analytics-oriented and globally aligned GST framework.

Unlike earlier years focused mainly on stabilization and anti-evasion measures, the 2026 reforms emphasize: trade facilitation, litigation reduction, practical compliance export competitiveness and commercial realism.

**5.1 Relaxation in Post-Supply Discount Provisions**

Earlier, post-supply discounts were deductible only if pre-agreed before supply. This created severe practical problems in modern business environments.

Finance Act, 2026 relaxed these rigid provisions and allowed practical commercial adjustment mechanisms through credit notes subject to ITC reversal conditions.

Impact -

1. reduced litigation,
2. improved business flexibility,
3. aligned GST with commercial realities.

**5.2 Landmark Reform in Intermediary Services**

The omission of Section 13(8) relating to intermediary services is one of the most important GST reforms. Earlier, intermediary services supplied to foreign clients remained taxable in India. This negatively impacted - BPO sector, export service providers, consulting firms and outsourcing industries. The 2026 reform corrected this anomaly and aligned GST with destination-based taxation principles.

**5.3 Refund Rationalization Measures**

Finance Act, 2026 introduced - simplified refund mechanisms, provisional refunds, export facilitation and liquidity-support measures.

These reforms are especially beneficial for - MSMEs, exporters, startups and manufacturers.

**5.4 Strengthening of Appellate Structure**

The Government attempted to address contradictory Advance Rulings and strengthen appellate mechanisms.

This is critical because -

inconsistent interpretations increase litigation, destroy certainty and negatively affect investment climate.

**5.5 Trade Facilitation & Compliance Simplification**

Finance Act, 2026 reflects gradual policy transition from -

“Aggressive Enforcement” toward “Constructive Compliance.”

## 5.6 Emergence of GST 2.0

GST 2.0 may be characterized by -

1. AI-based analytics,
  2. automated compliance,
  3. predictive tax systems,
  4. simplified procedures,
  5. real-time monitoring,
- and integrated digital governance.

## 6.0 Is Present GST System Sound?

### 6.1 Achievements of GST

GST has undoubtedly achieved several important objectives.

Major achievements include -

1. unified national market,
2. reduction in logistics barriers,
3. increased tax base,
4. formalization of economy,
5. better revenue collection,
6. improved transparency,
7. digital transformation and enhanced compliance monitoring.

### 6.2 Weaknesses in Present GST System

Despite improvements, several weaknesses still exist.

#### 6.2.1 Excessive Complexity

GST continues to remain technically complicated.

#### 6.2.2 Multiple Tax Slabs

Different tax rates continue to create classification disputes.

#### 6.2.3 Heavy Compliance Burden

MSMEs still struggle with procedural compliances.

#### 6.2.4 Excessive Notifications

Continuous amendments create legal uncertainty.

#### 6.2.5 ITC Complications

Input Tax Credit provisions remain highly litigative.

#### 6.2.6 Fear-Based Administration

In some cases, honest taxpayers feel harassed due to aggressive enforcement approaches.

## 7.0 Constructive Review of Present GST System

### 7.1 Positive Evaluation

GST has -

1. modernized India's indirect taxation system,
2. accelerated digitization,
3. improved transparency,
4. reduced interstate trade barriers and strengthened tax analytics.

India's taxation ecosystem today is far more technologically advanced than the pre-GST era.

**7.2 Evaluation**

However, GST also faces serious structural concerns.

**7.2.1 “Good and Stressful Tax”**

Many taxpayers humorously call GST:

“Good and Stressful Tax”

due to - Continuous compliance, reconciliations, notices and procedural burdens.

**7.2.2 Litigation Explosion**

GST has generated massive litigation involving -

1. classification,
2. valuation,
3. ITC eligibility,
4. place of supply,
5. Procedural technicalities.

**7.2.3 Over-Criminalization**

In certain situations, excessive penal provisions create fear among genuine taxpayers.

**7.2.4 Technology Dependency**

Businesses located in areas with poor digital infrastructure still face compliance difficulties.

**7.3 Constructive Suggestions****7.3.1 Simplification of GST Law**

GST law should be simplified in plain business language.

**7.3.2 Reduction in Tax Slabs**

A two or three slab structure can significantly reduce disputes.

**7.3.3 Faster Dispute Resolution**

Efficient GST tribunals are urgently required.

**7.3.4 Trust-Based Administration**

Government should differentiate between -genuine mistakes and intentional fraud.

**7.3.5 Stable Policy Environment**

Frequent amendments should be minimized.

**8.0 Future Changes Needed in GST System****8.1 Inclusion of Petroleum Products**

Petroleum products should eventually be brought under GST to ensure seamless credit flow.

**8.2 Inclusion of Electricity**

Electricity under GST can substantially reduce cascading cost burdens in manufacturing sectors.

**8.3 Rationalized GST Rate Structure**

India should gradually move toward -

1. fewer slabs,
  2. lower classification disputes
- simplified taxation.

**8.4 AI-Based Assessments**

Artificial Intelligence can improve -

1. fraud detection,

2. risk analysis,
3. predictive compliance,
4. automated scrutiny systems.

### **8.5 Automated Refund Systems**

Refunds should become -

1. fully automated,
2. time-bound,
3. technology-driven.

### **8.6 Reduced Criminalization**

Procedural mistakes should not be treated at par with deliberate tax frauds.

### **8.7 National Interpretation Mechanism**

Uniform GST interpretation systems are necessary to avoid contradictory rulings.

## **9.0 Role of Advanced Technology in Future GST Ecosystem**

### **9.1 Artificial Intelligence (AI)**

AI can identify -

1. fake invoices,
2. circular trading,
3. suspicious transactions,
4. Tax evasion patterns.

### **9.2 Blockchain Technology**

Blockchain can create tamper-proof invoice ecosystems ensuring -

1. transparency,
2. traceability,
3. fraud prevention.

### **9.3 Big Data Analytics**

Advanced analytics can improve -

1. revenue forecasting,
2. compliance monitoring,
3. policy formulation.

### **9.4 ERP Integration**

ERP-based GST integration can automate -

1. invoicing,
2. reconciliation,
3. compliance,
4. audit trails.

### **9.5 Predictive Tax Administration**

Future GST systems may predict -

1. compliance risks,
2. default probabilities,
3. fraud indicators before violations occur.

## 10.0 Strategic Role of CMA in GST Present & Future

### 10.1 Why CMA Is Naturally Suited for GST?

GST today is no longer merely a legal subject.

It has become:

1. techno-commercial,
2. process-oriented,
3. analytics-driven,
4. strategically integrated with business management.

This is where CMA professionals possess unique strength.

### 10.2 CMA as GST Strategist

CMAs can scientifically structure -

1. supply chains,
2. pricing systems,
3. tax-efficient costing models,
4. working capital optimization mechanisms.

### 10.3 CMA as Cost Optimization Expert

Since GST directly affects product costing and profitability, CMAs can evaluate -

1. tax impact on costing,
2. margin optimization,
3. pricing decisions.

### 10.4 CMA as ERP & Technology Integration Expert

CMAs can integrate -

1. ERP systems,
2. AI tools,
3. automation platforms,
4. GST compliance mechanisms.

### 10.5 CMA as GST Auditor and Investigator

CMAs possess expertise in -

1. internal controls,
2. forensic analysis,
3. fraud detection,
4. transaction verification.

### 10.6 CMA as MSME Advisor

India's MSME sector requires practical GST guidance regarding -

1. compliance,
2. costing,
3. pricing,
4. digital transformation and working capital management.

CMAs can become transformational advisors for MSMEs.

### 10.7 CMA as Policy Contributor

CMAs possess practical industry understanding and therefore can contribute meaningfully toward -

1. GST policy reforms,
2. rate rationalization,
3. compliance simplification,
4. economic efficiency.

## 11.0 Public Perception and Ground Reality of GST

Initially, GST created -

fear, confusion, resistance and frustration among taxpayers.

Gradually, businesses adapted to the system.

Today, many taxpayers recognize the advantages of -  
digital transparency, unified taxation and formalized compliance.

However, demands still continue for -

simplification, lower compliance burden, fewer tax slabs and stable laws.

## 12. Comparative Evaluation of India's GST System with Advanced Countries

### 12.1 Introduction

India's GST is one of the world's largest and most ambitious indirect tax reforms. However, being one of the largest systems does not automatically make it the simplest or the most efficient. Many developed nations such as Australia, Singapore, Canada, New Zealand and United Kingdom have comparatively more stable, simplified and business-friendly GST/VAT systems. As Chanakya wisely stated:

“अन्येषां गुणग्रहणमैव पण्डितस्य लक्षणम्” (A wise person learns the strengths of others. )

Therefore, India must critically evaluate global best practices and selectively adopt suitable reforms.

### 12.2 Comparison with New Zealand GST System

#### 12.2.1 Simplicity of Tax Structure

New Zealand operates one of the world's simplest GST systems with almost a single uniform tax rate and minimal exemptions.

India's Position

India currently has multiple slabs:

Result India faces -

1. classification disputes
2. litigation, confusion
3. compliance complexity.

Recommendation:

1. India should gradually move toward -
2. fewer slabs, broader tax base,
3. and minimal exemptions.

Apt Quote

“Simplicity is the ultimate sophistication. ”

### 12.3 Comparison with Singapore GST System

#### 12.3.1 Ease of Compliance

Singapore has one of the most business-friendly GST systems globally with -  
simplified returns, minimal procedural complications and stable laws.

India's Position -

Indian GST compliance remains highly technical involving -  
reconciliations, e-way bills, e-invoicing, multiple notices  
and continuous amendments.

Recommendation

India should:-

reduce return complexity, stabilize legal provisions,  
reduce procedural burden on MSMEs, adopt trust-based compliance systems.

“अति सर्वत्र वर्जयेत्” (Excess in anything becomes harmful. )

Excessive compliance sometimes discourages honest taxpayers more than tax evaders.

## 12.4 Comparison with Australia GST System

### 12.4.1 Stable Tax Administration

Australia focuses heavily on - taxpayer education, voluntary compliance, and administrative stability.

India's Position

India still experiences -

1. frequent amendments
2. interpretational confusion,
3. inconsistent implementation.

Recommendation:

India should -

1. minimize frequent legal changes
2. improve taxpayer guidance
3. strengthen certainty in tax administration.

Constructive Observation:

1. A stable tax law improves
2. investment confidence
3. long-term business planning
4. ease of doing business.

## 12.5 Comparison with Canada GST/HST Model

### 12.5.1 Federal Coordination

Canada successfully manages federal and provincial indirect taxation through coordinated GST/HST mechanisms.

India's Position

India's dual GST structure involving -

CGST, SGST, IGST, sometimes creates procedural overlap and jurisdictional confusion.

Recommendation:

India should -

1. improve Centre-State coordination
2. reduce administrative duplication
3. develop unified interpretation mechanisms.

“संघे शक्तिः कलौ युगे” (Strength lies in coordination and unity)

## 12.6 Comparison with European VAT Systems

### 12.6.1 Technology Integration

Many advanced European VAT systems extensively use: -

1. AI
2. predictive analytics
3. automated compliance
4. integrated digital verification.

India's Position

India has made remarkable progress through: -

e-invoicing, e-way bills, GSTN, and digital analytics.

However, full automation is still evolving.

Recommendation:

India should accelerate -

1. AI-based assessments
2. automated refunds
3. blockchain invoice verification
4. predictive fraud analytics

“Technology should reduce compliance burden, not increase fear.”

## 12.7 Major Strengths of India's GST Compared to Advanced Nations

India's GST system also possesses certain extraordinary strengths : -

### 12.7.1 Massive Digital Infrastructure

India's GSTN ecosystem is among the world's largest real-time tax technology platforms.

### 12.7.2 Advanced Invoice Tracking

India's e-invoicing system is technologically superior to several countries.

### 12.7.3 Strong Anti-Evasion Mechanisms

AI-driven analytics and invoice matching have improved fraud detection significantly.

### 12.7.4 Rapid Digital Adaptation

GST accelerated digital transformation across Indian businesses at unprecedented scale.

Thus, while India can learn from advanced nations, many developing economies are simultaneously learning from India's GST digitization model.

## 12.8 Conclusion

India's GST journey represents a bold experiment in fiscal transformation. However, the future success of GST depends not merely on revenue collection but on balancing -

simplicity, transparency, taxpayer confidence, technological efficiency, and economic growth.

India need not blindly imitate foreign models. Instead, it should adopt the principle:

“श्रेष्ठं ग्रहणीयम्”

(What is best should be adopted. )

By combining -

1. India's digital strengths,
2. global best practices,
3. advanced technology,
4. constructive policy reforms,

India can gradually evolve toward a truly:

“Simple, Stable, Smart & Strategic GST System. ”

## 13. Conclusion

Thus, GST's past reflects struggle, its present reflects transformation and its future reflects enormous possibilities. The recent reforms introduced through the Finance Act, 2026 indicate that India has now entered the transitional phase of “GST 2.0” - a more technology-driven, business-friendly, analytics-oriented and globally aligned indirect taxation framework.

The real success of GST will not merely depend upon record-breaking monthly revenue collections, but upon its ability to balance-revenue generation, ease of doing business, taxpayer confidence, consumer welfare, export competitiveness, digital governance and national economic growth.

The future GST ecosystem must evolve toward -

1. fewer tax slabs,
2. simplified compliance,
3. trust-based administration,
4. faster dispute resolution,
5. AI-powered transparency,
6. automated refunds,
7. integrated digital monitoring,
8. reduced litigation.

In this transformational journey, CMA professionals possess immense potential to emerge as the most competent techno-commercial indirect tax strategists of India. Their multidisciplinary expertise in -

1. costing,
2. analytics,

- ERP integration,
- taxation,
- internal controls,
- forensic analysis,
- business process optimization

uniquely positions them to contribute not only toward GST compliance but also toward national economic efficiency and policy excellence.

If GST continues evolving in a constructive, simplified and technology-oriented direction, India can eventually transform GST from merely a “Goods and Services Tax” into a truly “Growth Supporting Transformation” for the nation’s economy.

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(Subject Line: Articles for - WIRC BULLETIN July 2026 Edition)



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## **Tech Accountant: Integrating AI, Analytics, and Accounting Expertise**

### **Abstract:**

The accounting profession is undergoing a seismic transformation. Artificial intelligence, big data analytics, and cloud-based financial platforms are not merely supplementing traditional accounting workflows, they are redefining what it means to be a financial professional. However, the emergence of the 'Tech Accountant', a hybrid professional who combines deep accounting knowledge with proficiency in data analytics and artificial intelligence. In this dynamic context, the paper explores the competencies required, the challenges of professional adaptation, and the strategic value these professionals deliver to modern organizations. Further, the article argues that rather than replacing accountants, technology is elevating the role, demanding a new generation of professionals capable of operating at the intersection of finance and digital intelligence.

### **Introduction**

For centuries, accounting was grounded in a straightforward premise like record transactions, ensure accuracy, and present financial realities clearly. The double-entry bookkeeping system that Luca Pacioli formalized in 1494 remained largely conceptually intact for over five centuries. Yet within the span of a single decade, the profession has been confronted with a technological disruption that rivals any in its history. Cloud computing, machine learning, robotic process automation (RPA), and advanced analytics have entered the accounting function not as peripheral novelties, but as core operational infrastructure. According to the World Economic Forum (2023), nearly 30% of accounting tasks are currently automatable using existing technologies, with that figure projected to grow significantly through 2030. Yet rather than signaling the obsolescence of accountants, this shift reveals something more nuanced; the demand is not disappearing, it is transforming. Organizations increasingly seek professionals who understand both the technical language of finance and the computational logic of data systems. The 'Tech Accountant' is the profession's answer to this demand. Therefore, this article explores what it means to be a Tech Accountant the competencies required, the educational pathways being developed, the professional challenges involved, and the competitive advantages these individuals offer their organizations. The integration of AI, analytics, and accounting expertise is not a distant aspiration; it is the new professional imperative.

### **Accounting Profession: The Dynamic Landscape**

Automation has always been part of accounting's evolution. Mechanical calculators replaced manual arithmetic, spreadsheet software replaced paper ledgers, and enterprise resource planning (ERP) systems replaced fragmented bookkeeping. Each wave of technology displaced some tasks while creating others. The current wave, however, is distinct in its scope and speed. Meanwhile, artificial intelligence now powers tools capable of performing bank reconciliations, flagging anomalous transactions, generating variance analyses, and even producing narrative explanations of financial movements. Platforms like Xero, QuickBooks Online, and SAP S/4HANA embed machine learning to learn from historical data, predict cash flows, and automate journal entries with remarkable accuracy. The implication for practitioners is clear; the accountant who only executes routine processes faces genuine redundancy risk, while the accountant who interprets, validates, and strategizes around automated outputs becomes indispensable. A survey conducted by the Association of Chartered Certified Accountants (ACCA, 2022) found that 73% of finance leaders believe digital skills including data analytics and AI literacy are now as important as technical accounting knowledge when evaluating candidates. This convergence has given birth to what industry commentators and academics are increasingly calling the 'Tech Accountant' or the 'Digital CFO-ready Professional'.

### **The Tech Accountant**

The Tech Accountant is not simply an accountant who uses software. The distinction lies in depth of integration. A Tech Accountant understands accounting standards and financial regulations at an expert level, but equally understands how data pipelines work, what machine learning models can and cannot be trusted to do, and how to extract strategic insight from large financial datasets.

The role occupies the intersection of three domains like (i) Accounting expertise, (ii) Analytical reasoning, and (iii) Technological fluency.

According to Kokina and Davenport (2017), the most effective finance professionals of the near future will be those who can serve as translators between data science teams and business decision-makers individuals who understand the assumptions behind a predictive model and can articulate its implications in the language of profit, risk, and regulatory compliance.

Moving forward, key competencies of a Tech Accountant include proficiency in data analytics tools such as Python, R, or Power BI; familiarity with AI-driven accounting platforms and ERP systems; an understanding of data governance, cybersecurity risk, and privacy regulations as they relate to financial data; strong communication skills to present analytical findings to non-technical stakeholders; and the ability to critically evaluate the outputs of automated systems rather than accepting them uncritically. This last competency deserves particular emphasis. As organizations increasingly rely on algorithmic recommendations for budgeting, forecasting, and risk assessment, having a trained professional who can identify model bias, data quality issues, or misaligned assumptions becomes a critical safeguard.

## AI and Analytics in Accounting Practice

Artificial intelligence is already embedded in numerous accounting functions. In audit, AI-powered tools can now analyze entire populations of transactions rather than statistical samples to identify irregularities that might suggest fraud or misstatement. Companies like MindBridge and Galvanize have developed audit analytics platforms that apply machine learning to financial data at a scale no human team could replicate manually. In management accounting, predictive analytics tools enable rolling forecasts that update dynamically as business conditions change, replacing the static annual budget with a living financial model. These systems draw on both internal accounting data and external variables commodity prices, macroeconomic indicators, consumer sentiment indices to produce forecasts of significantly greater accuracy than traditional methods.

Again, tax compliance has similarly been transformed. Natural Language Processing (NLP) tools can interpret complex tax regulations and map them to specific transaction types, flagging potential compliance issues before they become costly penalties. AI-driven platforms are now capable of generating preliminary tax returns that human professionals then review and certify inverting the traditional workflow and dramatically compressing the time involved.

In the light of the above, what is common across these applications is the indispensable role of human judgment at critical junctures. AI identifies patterns and accountants interpret them. Analytics generates scenarios but accountants evaluate their strategic implications. This partnership model reinforces rather than undermines the value of the trained accounting professional.

## Educational Transformation and Professional Development

The emergence of the Tech Accountant is reshaping accounting education. Leading Universities have begun integrating data analytics, programming, and AI literacy into their accounting curricula. The American Institute of CPAs (AICPA) has revised its CPA Evolution initiative to include a core technology section covering data analytics, information systems, and digital controls as requirements for CPA licensure (AICPA, 2023).

Professional bodies such as the Chartered Institute of Management Accountants (CIMA) and ACCA have developed digital skills frameworks and micro-credentialing pathways specifically designed to help existing accountants upskill in data analysis and AI application. Online platforms, including Coursera and edX, now offer specializations co-developed with major accounting firms that combine accounting fundamentals with Python-based analytics and machine learning literacy.

The challenge, however, lies in the pace of change. Many practicing accountants particularly those mid-careers find the transition cognitively demanding and professionally threatening. Resistance to reskilling is well documented in organizational psychology literature and the accounting profession is not immune. Employers and professional bodies must invest not only in training content but in the change management strategies required to bring experienced professionals along on the digital transformation journey.

## Ethical and Regulatory Dimensions

The integration of AI into accounting practice raises significant ethical considerations that Tech Accountants must be equipped to navigate. Algorithmic systems trained on historical data can perpetuate existing biases for example, systematically scoring certain classes of clients or counterparties differently based on proxies correlated with protected characteristics. When these systems inform credit decisions, impairment calculations, or risk ratings, the ethical stakes are considerable. Data privacy represents

another critical concern. Financial data is among the most sensitive personal information an organization holds. As analytics systems require access to granular transaction-level data, Tech Accountants must work in close collaboration with legal and compliance teams to ensure that data use conforms to regulations such as the General Data Protection Regulation (GDPR) in Europe and equivalent frameworks globally.

The regulatory environment is itself evolving to address AI in finance. The Financial Stability Board (FSB, 2022) has flagged the opacity of machine learning models used in financial risk assessment as a systemic concern, and standard-setters are beginning to consider how audit standards should be updated to address AI-generated financial information. Tech Accountants will play a frontline role in both implementing compliant AI systems and providing the professional judgment that regulators will require.

### The Strategic Value Proposition

Organizations that employ Tech Accountants gain a measurable strategic advantage. By embedding analytical capability within the finance function, rather than relying on separate data science teams, they achieve faster and more contextually relevant insights. Financial analysts who understand accounting standards can ask better questions of data systems and interpret outputs with greater precision than generalist data scientists working without that domain knowledge. Moreover, Tech Accountants contribute to organizational resilience. The ability to rapidly model financial scenarios stress-testing cash flows, simulating the impact of regulatory changes, or evaluating the financial implications of strategic alternatives is increasingly a survival capability rather than a luxury. Organizations that embedded digital finance capabilities early in the COVID-19 pandemic, for instance, were better positioned to respond swiftly to rapidly shifting business conditions (PWC, 2021).

The Big Four accounting firms have recognized this value proposition and have invested billions in their own technology and analytics platforms such as Deloitte's Omnia, PwC's Halo, EY's Helix, and KPMG's Clara each designed to augment the work of their professional staff with AI-driven audit and advisory capabilities. These investments reflect a fundamental belief that the future competitive differentiation in professional services lies precisely at the boundary between human accounting expertise and artificial intelligence.

### Conclusion:

The Tech Accountant is not a futuristic concept it is a present-day professional reality. Across industries and organizational sizes, the demand for finance professionals who combine rigorous accounting knowledge with digital analytical capability is growing rapidly and is unlikely to plateau. The question is not whether accountants must evolve, but how decisively and comprehensively they choose to do so. The integration of AI, analytics, and accounting expertise does not diminish the value of the human professional it amplifies it. The ethical judgment, client trust, regulatory literacy, and strategic reasoning that great accountants bring to their work cannot be automated. What technology does is free those professionals from the mechanical and repetitive, allowing them to operate at the level of interpretation, insight, and decision-support where they add the most profound value. Besides, educational institutions, professional bodies, employers, and individual practitioners all share a responsibility in accelerating this transition. Those who embrace it will define the next great chapter in a profession that has, for more than five centuries, kept the world's financial realities honestly accounted for.

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## **“Artificial Intelligence in the Indian Judiciary: Balancing Innovation with Judicial Integrity”**

This article is based on the White Paper on “Artificial Intelligence and Judiciary” published by the Supreme Court of India in November 2025, which outlines the scope, risks, and guiding principles for the responsible use of AI in judicial processes.

### **Introduction**

The rapid evolution of Artificial Intelligence (AI) is redefining institutional frameworks across sectors, and the judiciary is no exception. In India, this transformation has taken a significant step forward with the release of the White Paper on “Artificial Intelligence and Judiciary” by the Supreme Court of India in November 2025. The document reflects a conscious and calibrated approach towards integrating technology into the justice delivery system while preserving its foundational values.

AI-enabled tools are increasingly being deployed in judicial functions such as legal research, transcription, translation, and case management, offering the potential to enhance efficiency and reduce systemic delays. However, the adoption of such technologies also introduces complex challenges relating to accuracy, bias, transparency, and data confidentiality. The risks of AI-generated hallucinations, fabricated legal references, and over-reliance on automated outputs necessitate a cautious and well-regulated approach.

The Supreme Court’s White Paper underscores the principle that AI must remain an assistive tool rather than a decision-making authority, with ultimate responsibility resting on judges and legal professionals. It emphasises the need for robust verification mechanisms, ethical safeguards, and institutional oversight to ensure that the use of AI strengthens, rather than compromises, the integrity of judicial processes.

Against this backdrop, the present article seeks to analyse the scope, applications, and limitations of AI in the Indian judiciary, while examining the ethical principles and practical guidelines governing its responsible use.

Let us understand the Importance of White paper and it is necessary here to understand why it is such White paper are issued?

### **White Paper**

A white paper an authoritative, in-depth report that explains a complex issue, promotes a specific product/technology, or proposes a solution to a problem. A white paper is an informative report that explains a complex issue and presents the sponsor’s philosophy on the matter. These documents are meant to help readers understand an issue, solve a problem, or make a decision.

### **History of White Paper**

The term originated early in the 20th century to mean a type of position paper or industry report published by a department of the UK government. Earlier forms of these reports were called “command papers.”

In their traditional form, white papers are written and used by policymakers to examine a policy problem and consider an array of solutions.

### **Characterises of White Paper**

Thus, a white paper follows a problem-solution structure. In some white papers, the author recommends a specific solution; in others, the author presents a number of possibilities without identifying a preferred option.

White papers are objective in tone, and they are meticulously researched, providing facts to support their claims and citing the sources of those facts.

## Objective and Scope of White Paper “Artificial Intelligence and Judiciary”

The objectives of this research are to analyse the introduction of AI in judiciary and to assess how AI-based tools such as translation and transcription systems, automated categorisation of filings, document-management platforms, etc. can strengthen research efficiency, improve case management, and expand access to justice for litigants facing linguistic, geographical, or technological barriers.

Ultimately, the research endeavours to determine how technological adoption can be aligned with core judicial values and to outline a principled framework to ensure that fairness, due process, and open justice remain uncompromised as courts move towards greater AI-enabled functioning.

Its scope is deliberately confined to the use of AI within courts, both judicial and administrative and does not extend to the application of AI in other domains or within the broader legal profession.

By addressing the technological, institutional, and normative considerations that accompany AI adoption, this white paper aims to provide a coherent framework for evaluating how such tools may be integrated into the judiciary in a manner that safeguards integrity while enabling meaningful reform.

## Understanding Artificial Intelligence: Definitions And Key Concepts

- 1. Artificial Intelligence (AI):** AI refers to machine-based systems capable of performing functions that ordinarily require human cognitive abilities, such as reasoning, pattern recognition, language comprehension, and structured decision-making.
- 2. Algorithms:** An algorithm is a finite, clearly defined sequence of logical steps or instructions that a computer system, including an AI model, follows to process information, solve problems, or convert inputs into meaningful outputs. An algorithm provides a structured method for decision-making, it specifies how data should be analysed, what operations should be carried out, and in what order, so that the system produces consistent and predictable results.
- 3. Generative AI:** Generative AI refers to a class of artificial intelligence models designed to create new content such as text, images, audio, or code based on patterns learned from vast datasets. Unlike traditional AI systems that primarily classify, predict, or retrieve information, generative models can produce original outputs in response to user-provided ‘prompts’.
- 4. Hallucination:** AI hallucination refers to instances where an artificial intelligence system generates content that is factually incorrect, logically inconsistent, or entirely fabricated, even though it appears coherent and persuasive. This occurs because generative models predict likely sequences of words or patterns based on training data rather than verifying facts. Hallucinations often arise from gaps in training data, inherent biases in the datasets, or prompts that push the model beyond its knowledge boundaries, resulting in outputs that “sound right” but have no factual foundation.
- 5. LLMs:** Large Language Models is a type of generative AI system which is capable of generating data in natural language, understandable by humans, by learning patterns from large amounts of text data with which it is trained.
- 6. Prompt:** Prompt refers to an instruction or an input given by the user of the AI model to enable the AI model to generate corresponding response or output as per the user’s requirement. A prompt is usually in the form of text. However, many AI models have been upgraded which allows users to give voice prompts.
- 7. Bias:** Bias is defined as a systematic error in decision-making processes that results in unfair outcomes. In the context of AI, bias can arise from various sources, including data collection, algorithm design, and human interpretation. The bias might occur due to the inherent societal and structural biases existing in the data with which an AI system has been trained.
- 8. Deepfakes:** A deepfake is an AI-generated image, audio, or video that appears authentic and closely resembles real persons, objects, places, entities, or events which it depicts but is in fact false and deliberately manipulated. It blurs the boundaries between genuine and fabricated material, raising significant concerns regarding misinformation, manipulation of public opinion, threats to democracy, fraud, identity theft, defamation, and other negative consequences.

## Domain-wise Application of AI Tools in the Indian Judiciary

Domain	Tools of India
Legal research and precedent	SUPACE: extracts facts and case law for judges
Summarisation and drafting aids	SUPACE: issue lists and editable drafts. <ul style="list-style-type: none"> <li>● AI Saransh: concise precis of pleadings for quick issue grasp.</li> <li>● LegRAA: briefs, issue-based summaries, and precedent lists</li> </ul>
Transcription	ADALAT AI: transcribes depositions. <ul style="list-style-type: none"> <li>● TERES: Live transcription in the Constitution Benches.</li> </ul>
Translation	SUVAS/e-SCR: translation of SC Judgements into various Indian languages.
Case Categorisation, Management, Administrative Caseflow and Listings	e-filing defect detection and metadata extraction
Litigant support and legal aid	Legal aid chatbot LESA by NALSA i.e. National Legal Services Authority

The deployment of AI in the Indian judiciary spans multiple functional domains, ranging from legal research to litigant support. The following table provides a structured overview:

### Key AI Tools in the Indian Judiciary

The Indian judiciary has adopted a range of AI-enabled tools to improve efficiency in legal research, case management, translation, and litigant support. Each tool serves a distinct functional role within the judicial ecosystem:

Tool Name	Full Form	Primary Function
SUPACE	Supreme Court Portal for Assistance in Court Efficiency	Assists judges in legal research by extracting relevant facts, identifying precedents, and generating concise case summaries
LegRAA	Legal Research Analysis Assistant	Provides issue-based legal research, case briefs, and curated lists of relevant precedents
TERES	Technology Enabled RESolution	Enables real-time transcription of court proceedings, particularly in Constitution Bench matters
SUVAS	Supreme Court Vidhik Anuvaad Software	Facilitates translation of judicial documents into multiple Indian languages to improve accessibility
e-SCR	Electronic Supreme Court Report	Provides a digital repository of Supreme Court judgments with headnotes for easy reference
LESA	Legal Services Assistant	Acts as a chatbot to assist litigants by providing basic legal information and guidance on legal aid services

### SUPACE- Supreme Court Portal for Assistance in Court Efficiency

The Supreme Court introduced the Supreme Court Portal for Assistance in Court Efficiency (SUPACE), an AI-driven platform developed to support judges in managing complex caseloads. SUPACE is designed to analyse vast quantities of case records, identify legally relevant material, and extract key precedents with remarkable speed. By generating concise case summaries, spotlighting pertinent issues, and organising documents in an accessible manner, it reduces the time judges must spend on routine research and document review.

### Core Ethical Principles For The Responsible Use of AI In Judiciary

**A. Human in the Loop** - Human in the loop in the context of the judiciary means putting the final responsibility, accountability, action or outcomes in the judicial process to the judges and lawyers.

In the case of AI that is trained on preexisting data, which may be biased at times, the need for human oversight in judicial decisions becomes even more necessary as it may replicate systemic prejudices.

### B. Accuracy and Verification

AI systems are capable of generating inaccurate, incomplete, misleading and even out of date information, and even creating an illusion of accuracy and hallucinated sources, therefore, verification of any information that is provided by AI is necessary.

It is advisable for users of AI tools to ensure that the data they have generated is accurate, with the user bearing personal responsibility for discrepancy present in the work bearing their names.

AI tools may hallucinate judgments, citations, quotes, or refer to any legislation that may not be in existence, and can also make factual errors. In order to minimise the risks of inaccurate output associated with the use of AI, establishing a systematic verification process is advisable to maintain the high standards of accuracy that are required in legal proceedings

### C. Confidentiality and Privacy

the judicial institutions should make sure that sensitive data shall not be entered into the AI tools as any data entered in the AI chatbot may become public, and the data may be used to train AI. Any unintentional disclosure of the sensitive information shall be brought to the attention of the judge or the judicial office. It is recommended for the users of AI to disable the chat history on public AI chatbots wherever possible to prevent the sensitive information entered into Gen AI tools from being used to train AI.

### D. Fairness and Bias Prevention

In India, the principle of fairness and equity suggests that “AI systems should be designed and tested to ensure the outcomes are fair, unbiased, and do not discriminate against anyone, including those from marginalised communities”. Where the AI is used to predict the risk or recidivism in pre-trial release, sentencing, or other legal decisions, it constitutes high risk and must be used with caution, particularly because the underlying algorithms may have been trained on biased data.

### E. Specialised Verification of the Translated Texts

AI is increasingly being used for translating the texts promptly with good accuracy. However, at times it may generate translations of the words on the basis of the algorithms on which it was trained, which may often result in incorrect or misleading translation results. Whenever any AI tool is used to generate the translation of the legal texts or case laws, it may be the duty of the concerned person to verify the output provided through qualified translators or by themselves.

## Risks Associated With the Use of AI In Judiciary

- A. Overreliance on Unverified Outputs and Diminished Human Judgement
- B. Fabrication of Cases and Hallucination: Fake Citation incidents
- C. Evidence Tampering and Deepfakes
- D. Algorithmic Bias and Discrimination
- E. Intellectual Property Infringement
- F. Breach of Confidentiality and Privacy

## Suggestive Guidelines for the Responsible Use of AI for Lawyers

1. Lawyers must independently verify every case citation, statutory provision, rule, or quotation generated by an AI system against an authoritative primary source before relying on it in any filing or submission.
2. Lawyers must ensure that no AI-generated text containing fabricated authorities, invented precedents, or inaccurate paraphrasing is included in pleadings, affidavits, written submissions, or oral arguments.
3. Lawyers must maintain full professional independence and may not delegate legal reasoning, case strategy, or interpretive judgment to an AI system.
4. Lawyers must preserve the confidentiality and privilege of client information and ensure that no sensitive materials are input into AI tools unless confidentiality safeguards, data-handling practices, and privilege protections are adequate.
5. Lawyers must ensure that staff, juniors, interns, or clerks using AI on case files are properly supervised, trained, and aware of both the capabilities and limitations of such tools.
6. Lawyers must avoid uploading documents containing personal data, confidential evidence, or strategic insights into AI systems that allow external data retention or model training without express consent and robust contractual protections.
7. Lawyers must be prepared to explain, if asked by the court, whether the AI tool played a role in the preparation of a submission, what steps were taken to verify the output, and why reliance on the tool was considered appropriate.

8. Lawyers must not use AI tools to attempt to predict judicial behaviour, inclinations, or future judgments in a manner that may compromise ethical boundaries or violate any applicable norms of professional conduct.
9. Lawyers must apply strong access controls within the office or chambers to ensure that only authorised individuals may use AI tools for case-related work.
10. Lawyers must promptly correct the record if any AI-derived error has been submitted to court, including fabricated authorities, inaccurate facts, or misquoted passages, and must notify the client where such correction occurs.
11. Lawyers must understand that responsibility for all AI-assisted work ultimately rests with the human lawyer, and no AI-enabled efficiency can reduce this professional accountability.
12. Lawyers must ensure that AI tools used for translation, transcription, or summarisation do not distort the meaning of legal arguments, witness statements, or judicial directions.
13. Lawyers may implement a standardised internal AI-use checklist before finalising filings to ensure all verification, documentation, and confidentiality safeguards have been completed.

## Conclusion

The Indian judiciary has, at every stage of its development, shown a willingness to adapt when institutional reform has been required. Whether through procedural innovations, adoption of digital infrastructure, or internal restructuring, the courts have continued to evolve in order to meet the demands placed upon them by society. This process of adaptation must guide us as we confront the questions raised by the growing use of AI in judicial work.

In years to come, technology will continue to advance, and its impact will be felt across all public institutions. The more meaningful question is how the judiciary can make use of these tools in a manner that is safe, secure, and accountable, and that ultimately strengthens the efficiency and functioning of the courts. The aim is to use technology carefully so that judicial time and attention can be better directed to matters that require them most. However, to move in this direction, it is important that existing institutional safeguards remain firmly in place.

The judiciary must take note from its earlier reforms and from the best practices adopted by other jurisdictions, ensuring that any use of AI operates within a framework that protects confidentiality, independence, and the integrity of adjudication. Developing clear guidelines, oversight mechanisms, and ethical boundaries is going to be critical in preventing misuse and maintaining public confidence in the system. This White Paper is intended to assist in that process. It lays out the potential benefits of AI, the risks that must be taken seriously, and the limits that cannot be compromised.

## Author's Views

In the present professional landscape, where the use of artificial intelligence has become increasingly pervasive, it is essential for practitioners to acquaint themselves with the perspective adopted by the judiciary. AI tools are now routinely being utilised for legal research, drafting, and allied functions; however, their use within the judicial ecosystem must align with the standards and expectations laid down by courts.

In this context, the White Paper issued by the Supreme Court of India assumes considerable significance, as it establishes a foundational framework for the responsible use of AI in judicial processes. Following this, various High Courts across India have also issued policy which provides guidelines on the use of AI in judicial and court administration.

A review of these jurisdictional guidelines indicates that they are, by and large, consistent with the principles articulated in the Supreme Court's White Paper. Accordingly, it is advisable for legal professionals to not only understand the contents of the White Paper but also to carefully study the specific guidelines issued by their respective jurisdictional High Courts before deploying AI tools in judicial work.

Readers can access white paper from this link:

<https://cdnbbsr.s3waas.gov.in/s3ec0490f1f4972d133619a60c30f3559e/uploads/2025/11/2025112244.pdf>



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## From Prompts to Practice: A Practitioner's Framework for Deploying Artificial Intelligence in GST Compliance, Litigation, and Advisory Work

### A Practising CMA's Honest Guide to AI in GST Work

#### Abstract

Artificial Intelligence (AI) has entered the mainstream vocabulary of Indian tax and finance professionals, yet its practical adoption in GST compliance and litigation remains patchy and often ineffective. This article examines why AI-assisted drafting frequently disappoints practitioners and argues that the problem lies not in the technology but in the quality of human instruction — commonly referred to as prompting. The article presents a structured, regulation-anchored framework for using AI in drafting Show Cause Notice (SCN) replies, appeal briefs, ASMT-11 responses, detention representations, refund narratives, and advisory letters. The article emphasises professional accountability, ethical boundaries, and the irreplaceable role of practitioner judgement, positioning AI as a high-efficiency drafting assistant rather than a decision-making authority.

**Keywords:** Artificial Intelligence, GST Litigation, Prompt Engineering, CGST Act 2017, Cost Audit, ITC Denial, ASMT-11, Professional Ethics, CMA Practice, Tax Technology

#### Why Generic AI Output Fails the GST Practitioner

When I first started using AI for my GST practice, I thought it was overhyped. A client came to me with a Show Cause Notice — ITC denial, around Rs. 2 crore allegation, Section 74. I opened my AI tool, typed something like "write SCN reply for ITC denial," and waited.

What came back was... fine, technically correct and completely generic which could have applied to any taxpayer in any state in any year. I spent more time editing that draft than I would have spent writing from scratch. Thereafter, I closed the window and went back to my notes and thought: okay, this is not for me. That was my mistake. Not AI's.

What I did not understand then and what took me a few months of trial and error to really figure out — is that AI is not a search engine. You do not type a question and get an answer. It is much closer to working with a very capable junior of someone who knows the GST law thoroughly, has read every circular, every notification, every court order but who has never met your client, does not know the facts of the matter, and cannot read your mind.

Once I started treating it that way and briefing it properly, giving it context, telling it exactly what argument I wanted to make, then everything changed.

*Your AI output is a direct reflection of how well you brief it. Nothing more, nothing less. The tool is not the problem — the conversation is.*

This principle has a direct parallel in the cost audit discipline. Rule 8 of the Companies (Cost Records and Audit) Rules, 2014 requires the cost auditor to satisfy themselves that cost records present a true and fair view of the cost of production, operations, and profitability. No audit tool — manual or automated — can perform that assessment without complete, accurate, and contextualised input from the practitioner. AI-assisted drafting operates on the same principle.

## What "Briefing Properly" Actually Means

One needs to reflect on what it would have been like, had the matter been handed over to a junior colleague. You would not just pass them the notice and say "handle it." You would sit with them for fifteen minutes. You would explain the background — what business the client is in, what the officer is really alleging, what your position is, what outcome you are aiming for.

That fifteen-minute briefing is your prompt.

And just like a good briefing to a junior changes the quality of the work they bring back, a good prompt changes everything the AI produces. AI requires exactly the same structured briefing, delivered through the prompt.

This is a general outline of how a GST litigation matter is usually approached and organised:

Element of Effective Prompting	Illustrative Example
Role Assignment	"Act as a GST litigation specialist assisting a practising CMA in drafting a formal reply to a Show Cause Notice issued under Section 74 of the CGST Act, 2017."
Factual Context	"The taxpayer is a chemical trading company registered in Gujarat. The notice relates to FY 2021-22. Allegation: ITC of Rs. X lakhs wrongfully availed on invoices from a supplier who was later flagged as non-existent on the GSTN portal."
Legal Position / Defence	"The taxpayer conducted proper due diligence: verified GSTN registration at the time of purchase, received goods physically (substantiated by lorry receipts and weighbridge slips), paid via banking channels, and holds original tax invoices. Under Section 16(2) of the CGST Act, the recipient cannot be penalised for the supplier's subsequent default where receipt of goods and payment are both established."
Format and Output Specification	"Structure the reply as: (a) Brief Facts, (b) Submissions Point-wise, (c) Legal Grounds and Judicial Precedents, (d) Prayer Clause. Formal tone suitable for submission to a GST authority. Approximately 3-4 pages."
Iterative Enrichment	"After the first draft: add two recent High Court judgments supporting the bona fide purchaser principle, and insert a reference to CBIC Circular No. 183/15/2022-GST clarifying the conditions for ITC eligibility under the amended Section 16(2)(aa)."

That is not complicated. It takes maybe five minutes to type. But that five-minute investment gets you a draft that is 75% ready to file — structured, legally sound, argument-first, in the right format as compared to a lazy one-liner prompt, which gets you something on which you will spend two hours editing and eventually abandon.

## The Two Types of Prompts — Side by Side

I want to show you the real difference, not just describe it. The table below illustrates the contrast between the commonplace, low-yield prompting approach and the structured, high-yield approach across three recurring GST practice scenarios. The scenarios are grounded in the CGST Act and CGST Rules provisions applicable to each situation.

<input type="checkbox"/> What Most of Us Do	<input checked="" type="checkbox"/> What Actually Works
SCN — ITC Denial: "Write a reply for ITC denial under Section 74." Result: Generic, unanchored, requires complete rewriting.	SCN — ITC Denial: "Act as a GST expert. Draft a formal SCN reply for a logistics company. Allegation: ITC on vehicle maintenance denied as unrelated to business. Defence: vehicles used exclusively for GTA — input services under Rule 2(l) of CGST Rules read with Section 16(1). Include judicial support and CBIC clarification. Format: Brief Facts / Submissions / Prayer." Result: Structured, legally anchored, 70-80% ready to file.
Goods Detention: "Write a letter for goods detained at a checkpoint." Result: Vague template, no statutory grounding.	Goods Detention: "Draft an urgent representation under Section 129 of the CGST Act for goods (industrial chemicals) detained due to an e-way bill timing dispute. E-way bill was generated before departure — system timestamp is the primary evidence. Request immediate release before any detention order is passed. Annexures: invoice, e-way bill, gate entry register." Result: Legally grounded representation with correct statutory reference.
ASMT-11 Response: "Help me write ASMT-11 for 2022-23 scrutiny." Result: Generic acknowledgement, no reconciliation narrative.	ASMT-11 Response: "Draft an ASMT-11 reply for FY 2022-23 scrutiny notice under Section 61 of the CGST Act. Discrepancy: ITC in GSTR-3B exceeds GSTR-2A by Rs. X lakhs. Reasons: (a) supplier filed GSTR-1 late — invoices appeared in 2A only post our filing; (b) credit notes not reflected in 2A. Reference CBIC Circular No. 26/26/2017-GST on mismatch resolution and the amendment to Section 16(2)(aa) effective 01.10.2022. Close with prayer for dropping proceedings." Result: Reconciliation narrative with regulatory grounding and prayer.

Look at the difference. In every case, the second prompt takes two or three extra minutes to type. But what comes back is something you can actually use i.e. something that sounds like your voice, makes your argument, and is structured the way you want to present it.

## A Real Scenario: AI in a Live Goods Detention at a Checkpost

In Let me walk you through how I actually use AI in a live detention matter- not just a theory, but will guide you with step by step what happens.

A client calls and informs that goods intercepted at a border checkpost and officer is not satisfied with documents. Section 129 proceedings may be initiated and the Clock is ticking too.

Section 129 of the CGST Act empowers the proper officer to detain, seize, and release goods and conveyances in transit where documents are either absent, deficient, or where there is a mismatch between goods in transit and the accompanying documents.

Rule 138 and Rule 138A of the CGST Rules govern e-way bill requirements. A common ground for detention is a perceived mismatch between the invoice and the e-way bill — often arising from differences in unit of measurement notation rather than any actual quantity discrepancy.

### What I do first — Stage One: Representation Letter

I open my AI, and I type something like this:

#### Prompt I actually use:

#### Structured Prompt — Representation Letter (Section 129, CGST Act)

"Act as a GST litigation specialist. Draft an urgent representation letter addressed to the Jurisdictional GST Officer, [designation], [range/division]. Goods intercepted: industrial chemicals. Ground of detention: alleged mismatch between e-way bill and invoice quantity. Actual position: same quantity expressed in different units — invoice states KGs, e-way bill states MTs (1 MT = 1,000 KGs); both documents refer to identical goods. Request immediate release under Section 129(1) before any detention order is passed under Section 129(3). Tone: firm but respectful. Maximum two pages. Close with a request for a personal hearing before any adverse order."

A well-structured prompt of this nature produces, within seconds, a two-page representation letter containing: the correct statutory reference to Section 129 of the CGST Act; a factual narrative built around the unit mismatch argument; a prayer for release with a specific request for a personal hearing; and appropriate formal language consistent with submissions before a quasi-judicial authority.

As a practitioner's I verify every statutory citation, confirm the factual accuracy against the client's documents, insert actual figures and the officer's designation, and apply professional judgement on whether any additional grounds should be raised — same done in twenty minutes.

Without AI, that letter took minimum ninety minutes. And with AI it took twenty minutes. This time saving is real.

### If the matter escalates — Stage Two: Appeal Brief (APL-01)

Say the officer confirms the detention. Now I need an APL-01. I go back to the same conversation and add:

#### Follow-up Prompt — Appeal Brief (First Appellate Authority)

"The detention has been confirmed in the adjudication order. Now draft a Statement of Facts and Grounds of Appeal for Form APL-01 to be filed before the First Appellate Authority under Section 107 of the CGST Act. Core argument: a clerical unit notation difference — with no discrepancy in value, taxable quantity, goods description, or tax amount — does not constitute intent to evade tax and does not attract penalty under Section 129(1)(a). Reference judicial positions from the Allahabad High Court and Madras High Court on technical documentation irregularities versus substantive tax evasion. Include a prayer for stay of recovery of tax and penalty pending disposal of the appeal."

The AI already knows the facts as I briefed it in the first prompt. So this follow-up produces a complete appeal brief, numbered grounds, legal submissions, case law, prayer clause. I review, verify the judgments cited, insert my client's actual figures, and file. The entire exercise, including practitioner review and verification of judicial citations, is completed in a fraction of the time required

by traditional methods.

What used to be a full-day exercise is now four hours work including review.

*The first prompt builds the foundation. Every follow-up prompt adds another floor. You are not starting over — you are building on what you already established.*

## Build Your Prompt Library — This Is the Real Asset

Here is something I wish someone had told me earlier: the prompts themselves are an asset. Not just the documents they produce — the prompts.

Every time I craft a strong prompt that produces a near-perfect draft — I save it. I strip out the client-specific facts, keep the structure and the argument framing, and store it in a simple Word file which I call my Prompt Library.

Right now I have templates for:

- SCN replies — Section 73 (notice period, bona fide cases)
- SCN replies — Section 74 (fraud allegation, DGGI matters)
- APL-01 appeal briefs — detention matters
- APL-01 appeal briefs — ITC denial
- ASMT-11 responses — ITC reconciliation scrutiny
- Refund application narratives — export of services, inverted duty
- Pre-litigation advisory letters — voluntary compliance angle

Each template took effort to build once. Each one saves me two to three hours every time I use it again. That is a type of compounding return on a thirty-minute investment. A prompt library built over six months of disciplined practice is worth several times the effort invested. Each template saves two to three hours on every matter where it is deployed.

### Start Small — Here Is How

Pick your most common GST matter this month. After you handle it with AI assistance, save the prompt that worked best. Strip the client name and figures. Label it clearly. Store it somewhere you will actually find it. Do this for three matters. By month four, you will have the beginning of something genuinely useful a living library that grows with your practice.

The following table identifies the core GST matter types for which prompt templates deliver consistent, high-quality results, along with an indication of typical AI output utility:

GST Matter Type	Typical AI Output Utility
SCN Reply — Section 73 (Bona Fide Cases, Limitation Issues)	75-85% ready to file; requires fact insertion and citation verification.
SCN Reply — Section 74 (Fraud / Wilful Misstatement Allegation)	65-75% ready; requires careful review of mens rea argument and penalty provisions.
APL-01 Appeal Brief — Detention / E-Way Bill Matters	80% ready; judicial citation verification mandatory.
APL-01 Appeal Brief — ITC Denial / Supplier Default	70-80% ready; Section 16(2) and Section 16(2)(aa) references to be verified.
ASMT-11 Response — ITC Reconciliation Scrutiny (Section 61)	75% ready; reconciliation figures and CBIC circular references to be inserted.
Refund Application Narrative — Export of Services (RFD-01)	70% ready; place of supply provisions under IGST Act to be verified.
Refund Application Narrative — Inverted Duty Structure	70% ready; Section 54(3)(ii) CGST Act reference to be confirmed.
Pre-Litigation Advisory Letter — Voluntary Disclosure	80% ready; risk assessment and quantum analysis are entirely practitioner's work.
GST Audit Response — Form GST ADT-04 / Section 65 Proceedings	70% ready; audit observations must be addressed with actual cost and financial data.

### Building the Prompt Library — Practical Steps

Step 1: On the next GST notice handled with AI assistance, save the prompt that produced the best draft. Step 2: Strip all client-specific facts, figures, and names. Retain the structural framing, role assignment, and argument architecture. Step 3: Label the template clearly by matter type and CGST provision. Step 4: Store in a designated folder, accessible during live practice. Step 5: After three matters, review and refine the templates. The library grows incrementally.

## AI Assists — But the Professional Decides

I want to be direct — AI drafts, I decide, and I believe many practitioners still misunderstand this fundamental distinction.

Every document leaving my office — every SCN reply, every appeal brief, every representation letter — goes through my review. I verify the legal citations, cross-check the facts against my client's inputs, and apply my judgment on whether the argument suits this officer, this case, and this stage of proceedings.

AI has no access to confidential client conversations. It cannot read an officer's previous orders or understand their thinking. It does not know whether a matter is better settled or contested, nor can it assess escalation risk. That judgment is entirely mine — and that is what my client is actually paying for.

The way I think about it: AI handles the drafting so I can focus on the thinking. Every hour saved on drafting is an hour invested in strategy, client conversations, and understanding the real picture behind the numbers in the notice.

That trade is worth making. Every single time.

## Professional Ethics and Boundaries: What AI Cannot Do

The enthusiasm surrounding AI in professional practice must be tempered by a clear understanding of what AI tools cannot do — and what they must never be allowed to substitute:

AI Can Assist With
Structuring and drafting formal documents based on supplied facts.
Identifying relevant statutory provisions and case law references for verification.
Generating multiple argument formulations for practitioner selection.
Saving time on repetitive drafting tasks to free practitioner bandwidth.
Producing consistent document structures across a practice.
Supporting research by summarising regulatory positions for practitioner review.

AI Cannot and Must Not Replace
The practitioner's independent assessment of the facts of a matter.
Legal judgment on whether to contest, settle, or advise voluntary compliance.
Risk assessment and evaluation of litigation prospects.
Client confidentiality obligations under professional codes of conduct.
Signing, certifying, or authenticating any statutory document or report.
Applying independent professional judgement as required by ICAI-CMA Standards.

The Code of Ethics of the Institute of Cost Accountants of India, consistent with the IFAC Code of Ethics for Professional Accountants, mandates that members maintain objectivity, professional competence, and due care in all professional engagements. The adoption of AI tools does not alter these obligations — it intensifies them, because the practitioner must now exercise judgement not only over the substantive content but also over the reliability and accuracy of AI-generated material.

Practitioners are reminded that every SCN reply, appeal brief, and cost audit report carries the professional's name and, in many cases, their statutory signature. The responsibility for the accuracy and appropriateness of that content is personal and non-delegable — to a junior associate, to an AI tool, or to any other party.

## So — Where Do You Start?

If you have read this far and you are thinking, okay, I want to try this properly — here is what I suggest:

- Take the next GST notice that lands on your desk. Do not write the reply from scratch.
- Spend five minutes briefing your AI the way I described — role, facts, your argument, the format you want.
- See what comes back. Then refine — add a specific legal point, ask it to strengthen the prayer, adjust the tone.
- Review the output as you would review a junior's work. Check every citation. Verify every figure.
- Save the prompt that worked. Label it. Start your library.

That is it. You do not need a course, a certification, or a workshop. You need one matter, one honest attempt, and a willingness to brief your assistant properly.

The return on that investment — I promise you — will surprise you.

## Conclusion

Artificial Intelligence, when deployed with discipline, structure, and professional accountability, represents a genuine and significant enhancement to the practice of GST compliance, litigation, cost audit, and income tax advisory. The technology does not eliminate the need for qualified professional practitioners — it amplifies their capacity, frees their time for higher-order judgement, and enables greater consistency and quality in document production.

The central argument of this article is simple: AI tools do not fail practitioners — inadequate prompting fails practitioners. The solution is not to abandon the technology but to invest in the skill of giving it precise, contextualised, legally grounded instructions. This is a learned skill, and like all professional skills, it improves with deliberate practice.

The regulatory frameworks governing GST, cost audit, and income tax in India are detailed and exacting. Every SCN reply must engage with the specific provisions of the CGST Act and CGST Rules. Every cost audit report must satisfy the requirements of the CRAR and the applicable Cost Auditing Standards. Every income tax submission must be grounded in the Income Tax Act. AI-assisted drafting, anchored in this regulatory reality, produces outputs that are usable precisely because the practitioner supplies the regulatory and factual context that the tool cannot independently access.

**AI will not replace the practising CMA. But the CMA who knows how to use AI will absolutely replace the one who does not.**

The emerging Tech-Accountant of 2026 and beyond is not defined solely by mastery of the law — that remains non-negotiable. The emerging Tech-Accountant is defined by the ability to combine legal and professional expertise with the disciplined, ethical use of technology tools that extend the reach and quality of professional service. That combination is the competitive advantage of the modern practice.



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## **Automated Accounting and Auditing: The Future of Smart Finance**

### **Introduction**

In today's era of Industry 4.0, Artificial Intelligence (AI) and automation are transforming the accounting and auditing profession rapidly. Automated accounting and auditing use technologies such as AI, Robotic Process Automation (RPA), machine learning, cloud computing, and data analytics to perform financial tasks faster and more efficiently. These technologies help improve accuracy, reduce manual and repetitive work which saves time, and strengthen fraud detection. As businesses move towards digital transformation, automation is reshaping finance professionals from traditional record keepers into strategic business advisors.

### **Automated Accounting**

Earlier, accounting and auditing were mostly manual processes that required large amounts of paperwork, calculations, and repetitive checking. During the Industrial Revolution 3.0, automation started entering the accounting field, but the process was not fully automated.

For instance, in traditional accounting systems, all financial records such as journal entries, ledger postings, trial balance, and financial statements were prepared manually on paper. Later, accounting software simplified many of these activities. Users only needed to record transactions and create ledgers once, after which financial reports could be generated automatically. However, these systems still required significant human involvement and were time consuming to manually record each transactions. They also increased the chances of human errors, data duplication, and operational inefficiencies.

Traditional accounting mainly depended on manual entries and physical documents, whereas modern automated systems use cloud-based software, AI algorithms, and integrated databases for faster and more accurate processing of financial information. Here are some common examples of automation in the field of accounting:

- Automatic entries of numerous bank transactions into accounting software without manually typing each transaction within minutes.
- Recording of invoice entries in an accounting software with the help of using OCR technology for reading invoices.
- Large amount of ledger creation just in one go.
- GST preparation and filing without typing each figure.
- Automatic Bank reconciliation.
- Auto generated financial reports and ageing reports.

Above can be possible by using ERP software and AI tools and technologies such as Vyapar TaxOne, Tally, ChatGPT, Claude AI, SAP, AI based Microsoft Excel, zoho books etc. These technologies are not only reducing manual workload but are also improving efficiency, transparency, and decision-making in modern finance functions. In India many of the accounting and taxation firms have already started working through such technologies for accounting.

### **Automated Auditing**

Traditional auditing was something which we used to read in textbooks where audit works done by sampling. The auditor or interns of the auditor picks some transactions, checks them, and based on that gives an overall opinion. This method has worked for many years but it has a big limitation that if a fraud is hidden in the transactions that were not selected for testing, the auditor may miss it

Automated auditing solves this problem. With technology, now it is possible to check 100% of transactions and not just a sample. The software can look at every single entry and flag anything that looks unusual or suspicious on real time. India's leading Audit and Taxation firms, Big 4, such as KPMG and PwC have already started working through these advanced technologies.

Here is step by step guide about how automated Auditing Works:

- All transaction data is exported from the accounting system or ERP
- An audit analytics tool like CaseWare IDEA or MindBridge AI reads such data
- The AI checks every transaction against pre-set rules and historical patterns
- Unusual entries like duplicate payments, round figure transactions, or suspicious entries are flagged automatically.
- The auditor then reviews only the flagged items, instead of checking each and everything manually.

For Example:

KPMG, one of the Big Four audit firms, developed a platform called Clara. This platform uses AI to analyse the complete transaction data of a client company. It does not rely on sampling at all. It checks every transaction and highlights the risky ones for the audit team. The result is that audit teams can focus their time and thinking on the real risk areas, instead of spending hours on routine checking. This makes audits both better in quality and faster to complete.

PwC has introduced AI-driven audit technologies through its "Next Generation Audit" initiative. Additionally, PwC has collaborated with technology companies such as OpenAI and Microsoft to improve audit planning, evidence validation, predictive analytics, and AI-powered audit research. These technologies help smart audit planning, real time evidence matching, predictive analysis, reduce manual efforts, improve efficiency, and enhance audit quality.

## Benefits of Accounting and Auditing

- **Speed and Efficiency:** Month end closure of ledgers that previously took weeks can be completed in days or hours, Simplify finalization procedure.
- **Accuracy:** Elimination of manual data entry reduces arithmetic errors and misclassifications.
- **Scalability:** Automated systems handle growing transaction volumes without proportionate increases in headcount.
- **Fraud Detection:** AI-based detection is faster and more comprehensive than human review.
- **Regulatory Compliance:** Automated tools stay updated with GST, Companies Act, and SEBI requirements, reducing compliance risk directly through web search features.
- **Cost Reduction:** Organizations report 30–60% cost savings in finance operations after implementing automation. It saves time, improve efficiency which ultimately reduce opportunity cost of time and money as well.
- **Real time checking:** these advanced technologies allows to real time checking and updates which leads to strengthen the decision making for the management based on updated data.
- **Accurate insights:** such automated accounting systems provide meaningful insights to the management and auditor without missing a single transaction.

## Challenges and Limitations

Every coin has two sides one is positive and another is negative. Technologies are not exception for this. Here are some challenges along with limitations for implementation of such automation along with artificial intelligence.

- **Data Quality:** Automated systems are as good as the data they process. Proper prompting plays critical role here as poor master data as input results in inaccurate outputs. It is well said that "garbage in, garbage out" or "Gold in, Gold out".
- **Data Privacy Risks:** Automated financial systems are attractive targets for hackers. Security breach can compromise sensitive data and financial integrity.
- **Skill Gaps:** Finance professionals need upskilling in data analytics, AI tools, and system audit techniques.
- **Implementation Costs:** Initial investment in platforms, integration, and training can be much costly for SMEs.
- **Over-reliance on Algorithms:** Automated systems may miss context-specific judgements that experienced human auditors.
- **Proper System:** to implement such automation an organisation needs proper and systematic work flow and this even a problem that each organisation has its different work flows, patterns, methodology even in same industry which leads to requirement of customised automation.
- **Software problems:** some software like Suvit or Vyapar TaxOne only fetch system generated digital copy of bank book and invoices.

## Future of Automated Accounting & Auditing

The future of accounting and auditing is becoming increasingly technology-driven or I would rather say majorly tech based. Businesses are gradually moving towards fully AI-powered finance departments where routine and repetitive accounting activities such as bookkeeping, reconciliation, invoice processing, and compliance monitoring will be performed automatically with minimal human intervention.

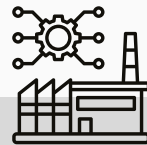
Real-time auditing is also expected to become more common specially in large enterprises and giant companies, allowing auditors to continuously monitor transactions and identify irregularities instantly instead of conducting periodic reviews. Predictive accounting systems using AI and data analytics may help businesses forecast financial risks, cash flows, and future business performance more accurately.

### Conclusion

Automated accounting and auditing are transforming the finance profession by improving efficiency, accuracy and transparency. Technologies such as Artificial Intelligence (AI), Robotic Process Automation (RPA), cloud computing, and block chain economy are helping businesses to perform financial operations faster and more effectively.

Although automation may reduce repetitive manual work, it cannot entirely replace accountants and auditors. Professional opinion, ethical thinking, and strategic decision making will always require human involvement.

Therefore, the role of accountants and auditors are not disappearing instead evolving, we could say its just reshaping techniques and methodology and work flow of the said field. Professionals who adapt the new technologies and continuously upgrade their skills will become more valuable in the future digital economy.



### Transforming Finance Through Automation

The accounting and auditing profession is undergoing a remarkable transformation driven by automation, artificial intelligence, and advanced digital technologies. Traditional finance functions that once relied heavily on manual data entry, spreadsheets, and repetitive verification processes are rapidly evolving into intelligent, technology-enabled systems. Automated accounting solutions can process transactions, reconcile accounts, generate reports, and manage compliance activities with greater speed and accuracy, enabling organizations to reduce errors and improve operational efficiency.

One of the most significant advantages of automated accounting is the ability to handle large volumes of financial data in real time. Modern systems can automatically capture information from invoices, bank statements, purchase orders, and other financial documents without extensive manual intervention. This not only reduces administrative workload but also ensures that financial records remain updated and accurate at all times. As a result, businesses gain access to timely financial information that supports faster and more informed decision-making.

Automation is equally transforming the field of auditing by enhancing the scope, quality, and effectiveness of audit procedures. Instead of relying solely on sample-based testing, auditors can now analyse entire datasets using intelligent audit tools. These technologies can identify anomalies, detect unusual transactions, highlight potential risks, and provide deeper insights into financial activities. This shift allows auditors to focus more on risk assessment, professional judgement, and strategic recommendations rather than spending excessive time on routine verification tasks.

Artificial Intelligence further strengthens automated accounting and auditing by introducing predictive and analytical capabilities. AI-powered systems can identify patterns, forecast financial trends, assess compliance risks, and generate actionable insights from vast amounts of structured and unstructured data. By continuously learning from historical information, these systems become increasingly effective at supporting financial planning, fraud detection, internal controls, and regulatory compliance. This creates a more proactive approach to finance management rather than a purely reactive one.



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## E-Invoicing 3.0 and The Compliance Tech Revolution

### INTRODUCTION

The Goods and Services Tax (GST) regime has steadily evolved from manual invoice reporting to a digitally integrated compliance ecosystem. With the rollout of E-Invoicing 3.0, the GSTN has ushered in a new era of technology-driven compliance discipline, ensuring seamless interoperability between taxpayers, suppliers, and regulators. This version is not merely an upgrade—it represents a compliance tech revolution, embedding automation, validations, and real-time reporting into the very DNA of GST compliance.

### EVOLUTION TIMELINE OF E-INVOICING

Phase	Effective Date	Applicability	Key Notes
Phase 1	1 Oct 2020	Businesses with turnover ≥ ₹500 crore	First rollout; real-time reporting via Invoice Registration Portal (IRP).
Phase 2	1 Jan 2021	Turnover ≥ ₹100 crore	Expanded coverage; IRN and QR code mandatory.
Phase 3	1 Apr 2021	Turnover ≥ ₹50 crore	Mid-sized companies brought under scope.
Phase 4	1 Apr 2022	Turnover ≥ ₹20 crore	Wider adoption; ERP integration challenges noted.
Phase 5	1 Oct 2022	Turnover ≥ ₹10 crore	SMEs included; stricter compliance timelines.
Phase 6	1 Aug 2023	Turnover ≥ ₹5 crore	Current threshold; most B2B taxpayers now covered.

This phased approach reflects India's progressive journey toward universal e-invoicing adoption, balancing compliance rigor with business readiness.

### KEY DEVELOPMENTS

#### 1. Enhanced Invoice Registration Portal (IRP) Framework

##### a. Multiple IRPs

- i. Each IRP operates under GSTN owned domains (einvoice1.gst.gov.in, einvoice2.gst.gov.in, etc.).
- ii. GSTN partners with private technology providers to run IRPs.

##### b. Governance & Control

- i. GSTN controls domain configuration, DNS, and digital signature certificates (DSCs).
- ii. IRPs act as delegates, authorized to sign invoice payloads and QR codes.
- iii. GSTN retains power to revoke authorization if performance standards are not met.

##### c. Authentication Process

- i. IRPs generate Invoice Reference Number (IRN) and QR code after duplication checks.
- ii. IRN is a 64 characters hash ensuring invoice authenticity.

##### d. Monitoring & Compliance

- i. GSTN conducts real time monitoring of IRP operations.
- ii. Performance metrics include uptime, response time, error rates, and security compliance.
- iii. Regular governance reviews ensure adherence to service thresholds

**Illustration:** A supplier uploading 50,000 invoices in a day can now rely on faster acknowledgment and reduced rejection rates.

## 2. Integrated ITC Flow & Ledger Synchronization

- E-Invoicing 3.0 directly feeds invoice data into **GSTR-1** to minimizing mismatches.
- Automated reconciliation reduces disputes over Input Tax Credit (ITC).
- Taxpayers benefit from **pre-filled returns** based on validated invoice data.

**Illustration:** A mismatch between supplier's GSTR-1 and recipient's GSTR-2B is auto-highlighted, enabling corrective action before filing.

## 3. AI-Driven Compliance Checks

- Machine learning algorithms flag anomalies such as duplicate invoices, incorrect GSTINs, or tax rate mismatches.
- Predictive analytics help businesses identify potential compliance risks before filing.
- Fraud detection modules strengthen audit readiness.

**Illustration:** If a taxpayer consistently reports ITC higher than liability, the system generates alerts for scrutiny.

## 4. RCM & Cross-Border Transactions Integration

- Reverse Charge Mechanism (RCM) invoices are auto-linked with liability and ITC claims, ensuring accuracy.
- Cross-border supplies are captured with harmonized system codes, aligning GST with customs reporting.
- This integration reduces duplication of reporting and enhances transparency in international trade.

## HANDLING COMPLIANCE CHALLENGES

- **Negative ITC mismatches** are auto-flagged, requiring taxpayer correction before filing.
- **System-driven validations** block filing of returns if invoices are inconsistent with ledgers.
- Businesses must adopt **ERP-GSTN integration** to avoid manual errors and ensure smooth compliance.

## COMPLIANCE IMPACT

- Filing of returns is now **conditional on system validations**, reducing excess ITC claims.
- Taxpayers must maintain **digital audit trails** of invoices, reconciliations, and reversals.
- Regulators gain **real-time visibility** into taxpayer compliance, reducing scope for disputes.

## PRACTICAL TAKEAWAYS FOR TAX PROFESSIONALS

- Regularly monitor **IRP dashboards** and ITC ledgers for anomalies.
- Integrate ERP/accounting systems with GSTN APIs to automate invoice reporting.
- Maintain **documentation of reversals, reclaims, and reconciliations** for audit.
- Train compliance teams on AI-driven alerts and anomaly detection.
- **Adopt digital SOPs** for monthly compliance, including invoice tracking, ITC reconciliation, and RCM validation.

## CONCLUSION

E-Invoicing 3.0 is more than a compliance upgrade—it is the **foundation of a digital compliance revolution**. By embedding validations, AI-driven checks, and real-time ledger synchronization, GSTN has transformed **compliance from a reactive process into a proactive discipline**.

Taxpayers and professionals must embrace this transformation, ensuring that compliance technology becomes an integral part of their governance framework. The future of GST compliance lies in **automation, transparency, and audit-readiness**, and E-Invoicing 3.0 is the decisive step toward that future.



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## AI-Enabled Costing: The Journey from Cost Calculation to Intelligent Decision Making

*"The future belongs not to those who merely record numbers, but to those who transform data into decisions."*

For decades, Cost and Management Accountants have played a critical role in measuring, analysing, and controlling business performance. However, the new digital economy is demanding a fundamental shift from **cost reporting to cost intelligence**.

We are living through a decisive shift. Artificial Intelligence has moved from pilot projects and boardroom presentations to the core operating layer of global industry. NVIDIA's Jensen Huang articulated it best at GTC 2026 in San Jose AI is no longer infrastructure; it is the factory floor itself. The question for Cost & Management Accountants is not whether AI will touch their work, it has already in systems. The question is whether they will lead that change or be led by it.

For CMAs the professionals entrusted with cost intelligence, performance measurement, and strategic financial stewardship this is not a threat. It is the most significant professional opportunity in a generation.

Artificial Intelligence (AI) is emerging as a powerful transformation force, changing the way organisations analyse costs, manage resources, and create sustainable value.

### The New AI Revolution

The recent developments in **Generative AI, Large Language Models (LLMs), AI Agents, Automation, Digital Twins, and Advanced Analytics** have opened new possibilities for finance professionals.

AI is no longer restricted to automation of repetitive activities. The next generation of AI systems can:

- Understand complex business information,
- Analyse large volumes of structured and unstructured data,
- Identify hidden patterns,
- Recommend actions,
- Continuously learn from outcomes.

This evolution is moving organisations towards **autonomous and intelligent finance functions**.



AI Metric	Figure / Finding	Source
Global AI Spend (2026)	Projected to exceed \$2 trillion	Gartner, 2026
AI Spend Growth	\$307 Bn (2025) → \$632 Bn (2028)	IDC Research
Finance AI Deployment	63% of finance orgs fully deployed AI	Deloitte, Jan 2026
CFO AI Integration	~50% of CFOs report AI agents in finance function	Deloitte, 2026
Agentic AI — Day-to-Day	15% of work decisions autonomous by 2028	Gartner Forecast
Cost Reduction — A/P	Up to 80% cost reduction via AI in payables	Pay Stream Advisors
AI ROI Payback Period	6–12 months typical for accounting AI	Industry Studies
Finance AI Adoption Target	90% of finance functions to deploy AI by 2026	Gartner Forecast

## What Is AI-Enabled Costing?

Traditional costing even when supported by ERP systems is fundamentally backward-looking. It tells us what costs were. AI-enabled costing is forward-looking and adaptive. It integrates machine learning, large language models (LLMs), agentic AI, and real-time data pipelines to deliver cost intelligence at the speed of business decisions.

There are three distinct layers at which AI is now transforming costing practice:

- **Automation of Routine Cost Processes** AI eliminates manual data entry, invoice classification, cost allocation, variance tagging, and period-end reconciliation. Industry benchmarks indicate that accounts payable automation alone can reduce processing costs by up to 80%. Invoice OCR now processes documents in 3 to 5 seconds with accuracy rivalling senior staff.
- **Augmented Cost Analysis** Machine learning models identify cost patterns, detect anomalies, and surface insights that would take analysts weeks to generate manually. AI handles the data crunching; the CMA provides judgement, context, and strategic interpretation.
- **Autonomous Decision Support** Agentic AI systems the frontier of 2025–2026 can autonomously reason, plan, and execute multi-step finance tasks. Goldman Sachs is already running production agentic deployments for transaction reconciliation and trade accounting. Gartner forecasts that 15% of day-to-day work decisions will be made autonomously through agentic AI by 2028.

Latest AI Developments Every CMA Must Know

### 1. Agentic AI The Game Changer

2025 saw enterprises experiment with AI agents; 2026 is the year they deployed them at scale. An agent is not a chatbot. It is an autonomous system that sets sub-goals, uses tools, queries databases, and completes multi-step tasks with minimal human intervention. In manufacturing, Deloitte's 2026 State of AI report documents companies using AI agents to optimise the balance between product cost and time-to-market in real time. For CMAs, this means cost modelling that was a two-week exercise is now a continuous, self-updating process.

### 2. Multimodal AI Beyond Text and Numbers

Modern AI models now process text, images, audio, video, and structured data simultaneously. In costing practice, this translates to AI that can read a scanned supplier invoice, cross-reference it against a purchase order image, validate it against a contract clause in a PDF, and post the journal entry in one automated flow. Multimodal capability collapses what was a chain of human handoffs into a single intelligent workflow.

### 3. Digital Twins for Cost Simulation

Digital twins virtual replicas of physical operations now incorporate AI to simulate cost outcomes before committing capital. A factory considering a new production configuration can model its full cost impact materials, labour, overhead, capacity utilisation across hundreds of scenarios in minutes. This is real-time, AI-powered TDABC (Time-Driven Activity-Based Costing) at industrial scale.

### 4. Natural Language Interfaces for MIS

Large Language Models have democratised data access. Finance teams no longer need SQL or a BI developer to query the cost database. A plant controller can type:

'Show me the top five cost drivers by product line for the last quarter compared to budget' and receive an instant, accurate response with visualisations. Tools are already delivering this with natural language finance operations for enterprise teams.

## 5. AI Governance: The Emerging Priority

Deloitte's 2026 survey is unambiguous, enterprises where senior leadership actively shapes AI governance achieve significantly greater business value than those delegating governance to technical teams. For CMAs who are already trained in internal controls, risk management, and compliance AI governance is a natural professional extension. This includes data quality standards, model auditability, bias detection, and regulatory alignment.

## A Practical Roadmap for CMAs: Starting Points

AI adoption is not only a technology journey; it is a mindset transformation. As finance professionals, we need to continuously learn, experiment, and redesign our traditional approaches.

- Audit your manual processes: Identify the three most time-intensive cost tasks in your organisation. These are your AI entry points.
- Build data fluency: AI is only as good as the data it processes. Champions of AI-enabled costing must be champions of data quality, master data governance, and chart of accounts discipline.
- Experiment with available tools: SAP embedded AI, Microsoft Copilot for Finance, Oracle Fusion AI, and sector-specific tools are already in enterprise stacks. Activate and evaluate them.
- Engage with AI governance: Volunteer for or initiate AI policy committees within your organisation. This is where CMAs will have disproportionate influence.

Professional judgement, domain knowledge, ethics, and business understanding will remain the biggest differentiators. The payback period for accounting AI investment is typically 6 to 12 months. The CMAs who help their organisations capture that value will define the next decade of the profession.

## WIRC WELCOMES NEW ASSOCIATE MEMBERS - MAY 2026

Sl No	M/Ship No	Name	City
1	59877	Jatin Ashok Malhotra	Ahmedabad
2	59893	Srushti Ambalal Patel	Ahmedabad
3	59978	Shubham Bhaveshbhai Chatrola	Ahmedabad
4	60044	Divyang Ajaykumar Rajput	Ahmedabad
5	60074	Dhairrya Dilipbhai Patel	Ahmedabad
6	60084	Kanishk Chopra	Ahmedabad
7	59997	Chaitali Arun Pathak	Aurangabad
8	59942	Amit Babbar	Balco Nagar
9	59994	Shibu Mendhey	Bhilai
10	60113	Ananny Mishra	Bhilai
11	60152	Anisa Sheikh	Bhilai
12	59980	Riya Gupta	Bhilai (C. G.)
13	60065	Taniya Sethiya	Bhilai (C. G.)
14	60032	Afshan Naaz	Bilaspur
15	60117	Yash Dhabhai	Bilaspur
16	60068	Priyanshu Khubnani	Datia
17	60026	Khadija Mannanbhai Garbadawala	Dohad
18	59965	Mankaran Singh Bindra	Durg
19	60025	Shivanshu Soni	Janjgir - Champa
20	59915	Neha Dinesh Patel	Kalyan
21	60104	Saurabh Bhagwan Jadhav	Karjat
22	59926	Bhavika Sagar Batra	Mehsana
23	59928	Anusuya Nagesh Vernekar	Mumbai
24	59933	Jinal Rajan Gandhi	Mumbai
25	59946	Aditya Jain	Mumbai
26	59950	Siddharth Soni	Mumbai
27	59956	Mandar Rajendra Mayekar	Mumbai
28	59976	Rishab Rajesh Deora	Mumbai
29	60049	Pooja	Mumbai
30	60054	Deesha Kantilal Jethwa	Mumbai
31	60063	Heramb Dinesh Paradkar	Mumbai
32	60090	Krishna Kishor Patel	Mumbai
33	60105	Chandrashekhar Sahu	Mumbai
34	59861	Vinita Dilip Modak	Nashik
35	60099	Himani	Nashik
36	59999	Susmit Sanjay Garg	Navi Mumbai
37	60029	Manmeet Kaur Jagtar Singh Ghuman	Navi Mumbai
38	60144	Sachin Gangaram Shinde	Navi Mumbai
39	60042	Bhakti Krishna Kubal	New Panvel
40	60003	Bhakti Rajendra Kasar	Pimpri Chinchwad
41	59921	Teena Tinker	Pune
42	59977	Abhijeet Dattatray Tupe	Pune
43	60089	Surabhi Sandeep Nangare	Pune
44	60017	Sandeep Agrawal	Raigarh
45	60122	Abhinav Thawait	Raigarh
46	60100	Prachi Agrawal	Raipur
47	60137	Sameer Kumar Joshi	Raipur
48	59967	Kashiyani Ravi Jentilal	Rajkot
49	60124	Ayushi Patidar	Sehore
50	60102	Prashant Machhindra Pokale	Shirdi
51	59887	Khushi Nileshbhai Chapadiya	Surat
52	59944	Meshwa Prakashbhai Patel	Surat
53	60128	Leela Gurjar	Surat
54	59866	Shraddha Anil Kadam	Thane
55	60112	Pooja Matani	Thane
56	59968	Rashmi Santosh Yashwantrao	Thane (West)
57	60087	Dineshbhai Madhabhai Chaudhary	Tharad
58	59870	Sarthak Anilbhai Shah	Vadodara
59	59879	Parth Sunil Sapkal	Vadodara
60	59880	Komal Kanubhai Ahuja	Vadodara
61	59891	Krutika Rajubhai Shah	Vadodara
62	59909	Honey Nareshbhai Chandnani	Vadodara
63	59910	Jignesh Mehta	Vadodara
64	59911	Maitri Pramodbhai Prajapati	Vadodara
65	59964	Dipesh Bhanjibhai Savani	Vadodara
66	59972	Rachit Girish Vaidya	Vadodara
67	60009	Riddhi Navneetbhai Prajapati	Vadodara
68	60010	Shah Divyabhai Gaurangbhai	Vadodara
69	59899	Kumail Abbas Rizvi	Waidhan



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## Predictive Analytics to Forecast Trends & Risks: Transforming data into Strategic Foresight

### Introduction

The past few years have seen an explosion in the business use of analytics. Companies realize that analytics enables them to reduce risks, make intelligent decisions, and create differentiated customer experiences. It is predictive analytics. As a result, predictive analytics deployments are gaining momentum. It is like you could see one day into the future. Not with a crystal ball, but with mathematics. That is essentially what predictive analytics offers businesses, governments, and hospitals today. Predictive analytics is the practice of using historical data, statistical algorithms, and machine learning techniques to identify the likelihood of future outcomes (Siegel, 2016),

In an era of huge data and unpredictable markets, companies across all sectors face increasing pressure to forecast the future rather than adapt to it. Predictive analytics has emerged as a transformative technology enabling businesses to harness historical and real-time data, identify patterns, and forecast future trends and risks with remarkable accuracy. It helps businesses to predict future possibilities with accuracy which help to grasp upcoming opportunities and well prepared for the adverse. Predictive modelling, look at numerous variables at the same time to make more accurate predictions. When compared to traditional methods, AI-driven forecasting methodologies have been demonstrated to increase prediction accuracy and reduce forecasting errors by roughly 20–50% (Rabadiya, 2025). The efficient use of predictive analysis enables business to sustain and grow with help of their tactics.

In a world overflowing with information, organizations often suffer from "data paralysis" they have plenty of data but no direction. Predictive analytics turns this problem on its head. It analyses those data to give them direction, and lead to meaningful conclusion. Instead of asking "What happened?" (Descriptive analytics) or "Why did it happen?" (Diagnostic analytics), predictive analytics asks, "What is likely to happen next?" This article frames a simple, comprehensive guide to understand predictive analytics, build a conceptual framework, how it forecasts trends and risks, and how leaders can use it for strategic foresight.

### Understanding the Predictive Analysis in the AI Era

Predictive analytics utilizes historical data, statistical algorithms, and machine learning techniques to identify patterns in existing information and project those trends to forecast what is likely to happen next (Alphavima, 2025). AI-driven predictive analytics has emerged as a transformative tool for businesses, enabling a deeper understanding of market trends and consumer preferences through the analysis of large volumes of data. Furthermore, continuous advancements in AI and its integration with emerging technologies are expected to enhance the accuracy, speed, and strategic value of predictive insights, helping organizations remain competitive in a rapidly evolving business environment (Okeleke et al., 2024). Unlike descriptive analytics, which explains past events, or prescriptive analytics, which recommends actions, it focuses specifically on forecasting future outcomes based on data insights (Aerospike, 2025). The technology operates by analysing vast datasets spanning years of operational history, customer behaviour, market dynamics, and external factors to detect subtle correlations and trends invisible to human analysis.

At its core, predictive analytics is pattern recognition. It is a branch of advanced analytics that makes predictions about future outcomes by using historical data combined with statistical modelling, data mining techniques and machine learning. Think about how Netflix recommends movies based on your watch history. The platform looks at what you have watched before, compares it to millions of other users with similar tastes, and predicts what you will want to watch next. That is predictive analytics in action in our day-to-day entertainment. (Provost & Fawcett, 2013).

For example, a bank uses predictive analytics to decide whether to give you a loan or not. It analyses thousands of past borrowers their income, debt, payment history and predicts if they are likely to default. Banks calculates CIBIL score of an individual to know it's borrowings and repayment history based on which they make their decision to provide loan to a individual or not. This is not magic; it is applied statistics (Kelleher & Tierney, 2018). It is the analysis of past trends, data to predict the future possibilities, which enable smooth functioning.

## Key Application across Industries

Predictive analytics has become an increasingly hot topic in analytics landscape as more companies realize that predictive analytics enables them to reduce risks, make intelligent decisions, and create differentiated customer experiences. Corporations around the world are using analytical tools to gain a better understanding of their customer's needs and wants. Fortune Business Insights projects that the market for predictive analytics will grow from \$18 billion in 2024 to \$95 billion by 2032. Although that's a bullish 23% average annual growth rate, Fortune's analysis says that growth will be restrained, in part, by a lack of skilled IT people to make it happen.

## Financial services

### a) Fraud detection:

Real-time transaction scoring identifies anomalous patterns, blocking suspicious payments before financial damage occurs. ML (Machine Learning)-powered systems flag threats significantly faster than rule-based approaches (Medium, 2025).

### b) Credit risk:

Sophisticated models score borrowers and forecast default probability, enabling more informed lending decisions while managing portfolio risk (Alphavima, 2025).

### c) Market forecasting:

Investment firms forecast market trends, optimise portfolio allocations, and execute algorithmic trading strategies capitalising on anticipated price movements.

### d) Treasury & risk:

Treasury teams forecast cash flow to position liquidity before month-end cycles. (The Reporting Hub, 2025).

## Manufacturing and operations sectors

### a) Predictive maintenance:

Equipment sensor data is analysed to forecast component failures before they occur. This enables repairs during planned downtime, with enough lead time to procure parts and schedule service windows that minimise production disruption.

### b) Supply chain:

Analytics forecast supplier delays and identify potential disruptions early, allowing managers to diversify sourcing strategies and maintain operational continuity before issues escalate.

### c) Inventory optimisation:

Models balance safety stock levels against holding costs by predicting demand variability and lead time uncertainty reducing both stockouts and excess inventory simultaneously (The Reporting Hub, 2025).

### d) Logistics routing:

Routing algorithms anticipate traffic patterns, weather conditions, and delivery constraints to dynamically adjust shipment routes meeting service level agreements despite external disruptions (FullStack, 2025).

## Human with Machine, Not Human Vs Machine

The most successful implementations do not replace human judgment; they augment it. Evidence from industrial settings reflects mixed perceptions around the adoption of AI-assisted analytics. Despite the majority of respondents holding a positive view regarding these technologies, acknowledging their potential to improve data analysis, to predict environmental impacts and optimize resource utilization, concerns were also expressed regarding implementation complexity, high costs, data management challenges, and the limited availability of specialized AI solutions.

Meanwhile, a smaller percentage of respondents were unsure about AI's usefulness, asserting human expertise, judgment, and involvement could prove more reliable in critical cases (Zong & Guan, 2024). The contrasting perspectives indicate that the real worth of AI is not in its ability to replace human capabilities, but in its ability to enhance them. AI can process large volumes of data, identify patterns, and generate insights, while humans provide contextual understanding, ethical judgment, and decision-making capabilities. For instance, a doctor uses a predictive risk score to decide on treatment, but the doctor's experience and patient values ultimately guide the final call. As Davenport (2018) notes in *The AI Advantage*, "Managers who combine algorithmic predictions with their own intuition outperform those who rely on either alone." Machine and AI are invented to ease human work not to replace it. And the person who understands it, and learn its effective and efficient use excels.

## Common Pitfalls & Limitations

Despite its growing adoption and potential to improve forecasting accuracy and decision-making, predictive analytics is not without limitations. Its effectiveness depends heavily on amount and quality of data available for analysis, interpretability and transparency of analysis and accounting of external factors (Strielkowski et al., 2023).

### a) Garbage in Garbage out (GIGO)

If the historical data is biased or incomplete, the predictions will be biased. For example, if a hiring model is trained on past hires (who were mostly men from one university), it will predict that only men from that university are good hires. This perpetuates discrimination (O'Neil, 2016). In order to get accurate and correct analysis, one needs refined and the right data.

### b) The future is not always like the past

Predictive models assume that past patterns will continue. But what about a black swan event like the COVID-19 pandemic? Models that predicted retail sales based on 2019 data failed completely in March 2020. Organizations must remember that predictions are probabilities, not prophecies (Taleb, 2007). Even after intact analysis we should be prepared for adverse conditions.

### c) Black box problem

Complex models like deep neural networks are often "black boxes" they give an output but cannot easily explain why. This is problematic in regulated industries like banking or healthcare, where you may need to justify a decision. Without proper reasoning the decisions based on predictions, can lead to adverse situations. Simpler models (e.g., logistic regression) are often preferred for transparency (Rudin, 2019).

## Implementation Challenges and Success Factors

Despite predictive analytics' proven value, successful implementation remains challenging, with many organizations struggling to translate experimental pilots into production-scale deployments generating measurable business impact. The key challenges in predictive analytics adoption are data privacy issues, high cost of implementation, low quality of data, and difficulties in integrating data from different sources. Technology infrastructure, skilled workers, and internal capabilities are also issues that organisations have to deal with. Poor training and a lack of help from management can also make implementation more difficult. Therefore, strengthening cross-functional collaboration and improving staff development are critical for developing organisational readiness and utilising the benefits of predictive analytics (Alserhan et al., 2025).

Research indicates that from 2023 to 2025, while generative AI experimentation exploded, numerous projects failed to deliver bottom-line results without strong operationalization and governance frameworks (Aspect, 2026). The most successful implementations share several characteristics. They:

- Embed predictive models directly into day-to-day operational workflows rather than generating standalone reports requiring manual interpretation.
- Establish clear baseline metrics and key performance indicators enabling objective assessment of model impact.
- Implement robust governance structures addressing data quality, model validation, bias testing, and performance monitoring.
- Connect predictions to automated action systems so that forecasts trigger appropriate responses without requiring constant human intervention.

Data quality and availability constitute fundamental prerequisites for effective predictive analytics, yet many organizations underestimate the effort required to establish reliable data pipelines. Predictive models are only as accurate as the data they consume; incomplete, inconsistent, or outdated information inevitably degrades forecast quality regardless of algorithmic sophistication. Organizations must invest in data governance programs ensuring that information assets are properly catalogued, standardized, cleaned, and maintained.

## Conclusion

Predictive analytics has moved from being a technical luxury to a business necessity. Organisations that can anticipate what is coming whether it is a market shift, a supply chain disruption, an equipment failure, or a customer about to walk away are simply better placed than those that cannot. The ability to act before a situation forces your hand is, in practical terms, one of the most valuable things a business can develop right now.

But technology is only as good as the people and processes behind it. Clean data, honest governance, cross-functional collaboration, and the willingness to act on what the numbers are saying matter just as much as the algorithms themselves. A prediction that never reaches the right decision-maker, or one built on poor quality data, delivers nothing. The human side of this equation is not secondary it is central

As AI continues to mature and the barriers to adoption continue to fall, predictive analytics will become less of a competitive differentiator and more of a baseline expectation. The question organisations will face is not whether to adopt it, but how well they can execute it. Those that invest in the right data foundations, develop the right talent, and build cultures willing to act on evidence even when it is uncomfortable will be the ones that consistently stay ahead.

In the end, predictive analytics does not eliminate uncertainty. No tool ever will. What it does is give organisations the foresight to face it with confidence, and the strategic clarity to turn what lies ahead into opportunity rather than risk.

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## Demerger of Maharashtra Electricity Distribution Sector

### Abstract-

The power sector of Maharashtra needs to continue to play a critical role in supporting the economic growth of the state. As the sector moves forward in a challenging environment, it is expected that stakeholders will work together as envisaged in the Power Sector Vision 2030, in helping the sector achieve its' aspirations to become one of the most sustainable, progressive and consumer-oriented power sectors, which strongly supports the socio-economic growth of Maharashtra. Maharashtra is restructuring its power sector to enable a \$1 trillion economy, focusing on splitting MSEDCL to separate agricultural and non-agricultural distribution for better efficiency. Key reforms include an ambitious 2030 vision to increase capacity from 36 GW to 81 GW, integrating digitalization, accelerating renewable energy to 53% of the energy mix, and improving financial sustainability. We will highlight the recent key reforms as well demerger in electricity distribution sector of Maharashtra through this article.

### Key electricity sector reforms in Maharashtra include:

- **Structural Reforms (Demerger of MSEDCL):** The state is restructuring MSEDCL into two distinct entities: one focusing on commercial, industrial, and residential consumers, and another on agricultural consumers to enhance operational focus and enable a potential IPO.
- **Energy Transition Plan by 2030:** Maharashtra has established an extensive transition plan aimed at augmenting generating capacity to 81 GW by 2030, with a major push for renewable energy to move from 14% to 53% of its energy portfolio.
- **Digitalization and Service Improvement:** Initiatives focus on enhancing customer experience through digitizing services from application to billing, reducing power theft, and enhancing distribution efficiency.
- **Financial Restructuring:** The state is managing the financial health of utilities through debt restructuring (e.g., INR 32,679 crore restructuring for MSEDCL) and implementing multi-year tariffs and nominal annual increases in fixed charges for sustainability.
- **Solar and Renewable Energy Focus:** The Maharashtra Electricity Regulatory Commission (MERC) has set specific, competitive tariffs for rooftop solar (e.g., ₹2.82/kWh) and other renewable sources.
- **Agricultural Free Power:** Implementation of the Mukhyamantri Baliraja Free Electricity Scheme (2024-2029) to provide free electricity to farmers having capacity of pump up to 7.5 HP.
- **Regulatory Changes:** Moving toward a competitive market structure in line with national reforms.
- **Agriculture-Focused Entity:** The new MSED Solar Agro Power Limited (MSAPL) will handle agricultural consumers, aimed at separating the high-loss agricultural sector for targeted improvements.
- **Financial Turnaround:** The government is issuing 15-year bonds to cover the 32,679crore liability of MSEDCL to improve its financial health.
- **Tariff Reform:** The Maharashtra Electricity Regulatory Commission (MERC) is transitioning to higher fixed charges increasing to 16.7–20% of revenue by FY30 and reduced energy charges to align with the fixed cost structure of power generation.

- **Infrastructure:** Under the Revamped Distribution Sector Scheme (RDSS), there is a strong focus on installing smart meters, feeder separation, and enhancing IT infrastructure to reduce AT&C losses to 12-15%.
- **Tariff Cut (2025-26):** A 10% tariff reduction for most consumers was introduced in 2025, with a target of 26% reduction over five years.
- **Focus on Agricultural Solarization:** The state is focusing on solarizing agricultural feeders to reduce the subsidy burden and provide reliable day-time power.

As per Government Resolution No. Sankirn-2036 / Case No. 99 / Energy-5 dated 21 April 2026, Maharashtra is restructuring its state power distribution company (MSEDCL) to address high financial losses and inefficiencies. Key reforms include the bifurcation of MSEDCL into two entities—one for general consumers and one for agriculture (MSAPL)—along with ₹32,679 crore in financial restructuring, a 10–26% tariff reduction, and mandatory smart metering under the RDSS scheme. The decision to split Maharashtra State Electricity Distribution Company Limited (MSEDCL / Mahavitaran) into two entities is not merely an administrative change; it is a major financial and structural reform program.

## Background of reform and Financial Stress of MSEDCL-

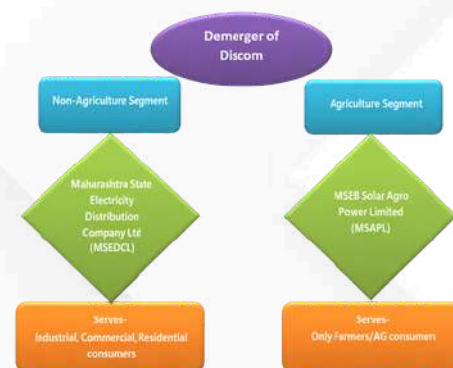
MSEDCL is currently under significant financial pressure due to following reasons:

- Total debt exceeds ₹90,000 crore
- Total outstanding dues related agricultural consumers are around ₹59,527 crore as of March 2025
- Agricultural power supply runs heavily on subsidy, leading to:
- Low recovery of arrears
- High cost of supply
- Weak cash flow
- Reduced debt-servicing capacity (DSCR)
- Additional Burden on other consumers due to cross subsidy

To address this, the government has decided to demerge the company into two separate entities:

## Financial reforms:

- Net Agriculture due up to end of March 2025 are Rs 59,527 crore.
- The Government of Maharashtra has given guarantee for ₹32,679 crore of debt. These debts will be taken over by government and same will be written off.
- Thereafter Rs 26,848 crore arrears will remain pertaining to AG consumers, and it will transfer to AG company along with assets and liabilities.
- This will clean up the balance sheet and improve financial health of the new entities.



## Operational Structure (Shared Operations)

Although legally separate, operations will remain integrated and shared:

## The Non-Agri company will retain:

- Power Purchase Agreements (PPAs)
- Employees
- IT systems
- Distribution infrastructure

## The Agri company will:

- Purchase electricity from the non-Agri company
- Pay for power and services
- Receive operational support (billing, maintenance, technical services)

Thus, the two companies will be legally separated but operationally interconnected.

## Financial Outlook

Agri Company	Non-Agri Company
<ul style="list-style-type: none"> <li>Limited revenue</li> <li>Dependent on government subsidy</li> </ul>	<ul style="list-style-type: none"> <li>Significant improvement expected through:</li> <li>Higher revenue &amp; reduction in A&amp;TC Losses</li> <li>Improved EBITDA and profitability</li> <li>DSCR expected around 1.15 or higher</li> <li>Financially stable and investor-friendly</li> <li>Future IPO Plan</li> </ul>

Next phase of financial reform of non-Agri Company:

### Listing & Initial Public Offering (IPO)

Non-Agri company planned for fund raising of Rs ₹7,500 – ₹10,000 crore. It will be resulted with expected benefits of fresh investment, increased transparency, better corporate governance, Value unlocking for the State Government. This fund will be utilised for infrastructure development, Smart metering, modernisation of distribution system.

### Implementation Process-

A high-level committee led by the Chief Secretary will oversee the process. Approval from the Maharashtra Electricity Regulatory Commission (MERC) is required.

### Expected Benefits

Financial	Operational	Strategic
<ul style="list-style-type: none"> <li>Reduced debt burden</li> <li>Improved cash flow</li> <li>Better credit rating</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in AT&amp;C losses</li> <li>Improved billing and recovery efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Greater transparency</li> <li>Increased investor confidence</li> </ul>

### Key Challenges-

- Agri company will remain dependent on timely government subsidy.
- Electricity tariffs and subsidies are socially and politically sensitive.
- Complex implementation and coordination between two entities.

Forecasting of Post Demerger scenario of both entity-

**Agri Entity**

	Amount in ₹ Crore						
	FY 26	FY 27	FY 28	FY 29	FY 30	FY 32	FY 35
No. of Units Sold (MUs)	38,076	38,470	38,784	39,043	39,837	40,660	41,940
Total Revenue	19,937	17,532	16,449	15,266	15,270	15,548	15,982
Total Expense	15,046	13,961	13,929	14,093	14,445	14,891	15,602
EBITDA	4,890	3,571	2,519	1,173	824	657	379
PAT	4,495	3,245	2,234	936	600	320	107

**Non Agri Entity**

	Amount in ₹ Crore						
	FY 26	FY 27	FY 28	FY 29	FY 30	FY 32	FY 35
No. of Units Sold (MUs)	113,343	120,704	127,841	135,123	142,832	160,770	187,071
Revenue	120,961	128,101	134,439	136,121	144,672	152,615	167,294
Expense	98,726	109,410	118,709	125,205	132,627	142,343	156,739
EBITDA	22,235	18,690	15,730	10,916	12,045	10,271	10,555
PAT	12,028	8,829	6,347	1,789	3,182	1,211	1,589
DSCR	1.12	1.15	1.15	1.15	1.16	1.19	1.15

Image Source- GoM GR Dtd 21 April 2026

**Conclusion-**

Maharashtra state always shown role model of transformation in each sector to the country. Electricity is also not exception to this. Lot of changes and reforms have been done in last decades. Since trifurcation of electricity sector, consumer services have improved significantly. State power sector is strengthened by IPDS, DDUGJY, KUSUM, RDSS, MSKVY sachers. Now, demerger of distribution company will become one of the key step to achieve financial stability, sustainability of power companies. Agriculture sector has its own importance for countries as well as state economy also supply of power to farmer is having social, economical importance, hence GoM has bifurcated it from other consumers. Now, Non-Agri company can focus on other profit-making area by providing quality service. We can conclude that this reform will definitely bring lot of positives for distribution company as well as power sector of Maharashtra.

**Restructuring the Power Distribution Landscape**

The demerger of Maharashtra's electricity distribution sector is a strategic reform aimed at enhancing operational efficiency, improving financial performance, and ensuring better service delivery to consumers. As one of India's largest power-consuming states, Maharashtra faces increasing challenges related to power demand, infrastructure expansion, revenue collection, and network management. A demerged structure allows individual entities to focus on specific operational objectives, leading to greater accountability, improved governance, and more effective management of resources within the electricity distribution ecosystem.

One of the key objectives of the demerger is to improve financial sustainability and operational transparency. Large integrated utilities often face challenges in identifying inefficiencies, controlling costs, and measuring performance across diverse functions. By creating specialized entities with clearly defined responsibilities, management can better monitor operational outcomes, strengthen financial controls, and implement targeted improvement initiatives. This can contribute to reducing transmission and distribution losses while improving overall service reliability.

The restructuring also creates opportunities for greater investment in infrastructure modernization and technology adoption. Independent distribution entities are better positioned to focus on smart grid initiatives, digital metering, automated billing systems, customer service enhancements, and energy management solutions. Such investments can improve operational efficiency, support renewable energy integration, and help utilities respond more effectively to changing consumer expectations and future energy requirements.



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## Tackling the 2026 fuel crisis in India

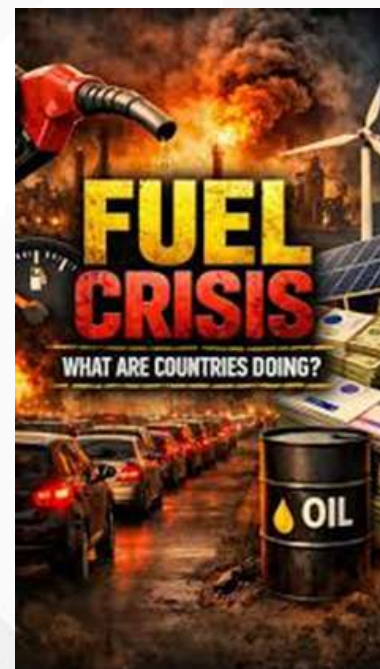
Tackling the 2026 fuel crisis in India involves a multi-pronged strategy: reducing oil dependence through accelerated electric vehicle (EV) adoption and 20% ethanol blending, expanding strategic petroleum reserves to cushion supply shocks, and promoting public transport/carpooling to reduce consumption.

To tackle the severe global fuel crisis stemming from ongoing conflicts and the blockade of the Strait of Hormuz, India is employing a dual strategy of **immediate demand-side conservation** alongside **long-term structural energy shifts**. Because India relies on foreign imports for roughly 90% of its crude oil and half of its natural gas, both government actions and collective public participation are essential to mitigating the crisis.

### Immediate Government & Citizens' Relief Measures

The central government and state administrations have implemented several immediate interventions to shield consumers, stop panic buying, and ration energy reserves.

- **Austerity and Demand Management:** Prime Minister launched a public appeal urging citizens to limit personal fuel use, embrace carpooling, switch to public metro systems, and postpone destination weddings or unnecessary travel abroad to protect forex reserves.
- **Work From Home (WFH) and Online Classes:** The government is actively pushing private and public entities back toward pandemic-era digital hybrid schedules and recommending online schooling to eliminate millions of daily vehicle commutes.
- **Price Shields & Tax Cuts:** To insulate common citizens from volatile international crude pricing, the Centre has kept fuel pump costs frozen at PSU-operated outlets and cut excise duties on petrol and diesel by ₹10 per litre.
- **Resource Prioritisation:** State refineries have maximized domestic liquefied petroleum gas (LPG) output by 28%, redirecting LPG stocks away from commercial and industrial applications straight to residential cooking.
- **Anti-Hoarding Crackdowns:** Enforcement agencies are utilizing the Essential Commodities Act to run thousands of daily raids against black-marketing and fuel hoarding.



### Long-Term Energy Independence & Transition

To permanently break out of global supply vulnerabilities, major investments are pivoting toward domestic alternative energy ecosystems.

- **Expanding Strategic Petroleum Reserves (SPR):** India currently relies on a cushion of roughly 69 days of crude stocks and 45 days of LPG. Diplomatic strategy focuses on building out underground SPR facilities well past 10 million metric tonnes (MMT).
- **Accelerated PNG Network Shift:** The Ministry of Petroleum is fast-tracking domestic Piped Natural Gas (PNG) connections activating hundreds of thousands of household connections within months to permanently phase out vulnerable LPG reliance.
- **Biofuels and High-Percentage Blending:** India is setting up 12 state-run mega biofuel and 2G ethanol refineries to convert agricultural residue into fuel, advancing toward its target of a 20% ethanol blending standard.
- **Mass Transport Electrification:** Long-term system planning emphasizes moving fleets, urban public transport, and individual vehicles entirely onto a domestic renewable grid, alongside pilot commercialization of green hydrogen for heavy trucking.
- **Sovereign Financial Buffers:** The creation of a ₹12,980 crore Bharat Maritime Insurance Pool shields shipping companies from surging geopolitical risk premiums, guaranteeing that crucial cargo lanes can operate securely.

India is tackling the global energy crisis through immediate citizen-level conservation strategies and deep macroeconomic shielding tools. Following the shutdown of the Strait of Hormuz, the central government enacted its first retail fuel price hike in four years (raising petrol and diesel by ₹3 per litre across major cities, and CNG by ₹2 per kg), forcing rapid shifts in both household budgeting and national financial policy.

## Part 1: Macroeconomic Impact on India

Because India imports 85–90% of its crude oil, the prolonged West Asia maritime blockade represents a severe supply-side shock to the national economy.

### 1. Slashed GDP Growth Projections

Major global and domestic financial institutions have sharply downgraded India's real GDP growth forecasts for FY 2026–27 due to surging manufacturing input costs:

- **Moody's Ratings:** Cut its forecast by 0.8 percentage points down to **6.0%**.
- **Morgan Stanley:** Pegged growth expectations down to **6.2%**.
- **CRISIL:** Scaled back its projections from 7.1% to **6.6%**.

### 2. Widening Current Account Deficit & Rupee Depreciation

Every \$10 increase in the price of a barrel of crude oil adds roughly **\$13 billion to \$14 billion** to India's national import bill. This massive capital outflow is expanding the Current Account Deficit (CAD) toward 1.8% of GDP, creating severe downward pressure on the Indian Rupee (INR) relative to the US Dollar.

### 3. Sectoral Inflation and Stock Market Trends

High transport costs have caused a domino effect, driving inflation up by 0.3% to 0.5%. Corporate profit margins are shrinking across logistics, aviation, automotive, and fast-moving consumer goods (FMCG). In the equity markets, investors are cycling capital out of highly exposed cyclical stocks and moving into safer defensive sectors like IT, domestic pharmaceuticals, and state-backed upstream energy producers (e.g., ONGC).

## Part 2: Personal Budgeting & Saving Strategies

With retail petrol pushing past **₹97.77/litre in Delhi** and **₹106.68/litre in Mumbai**, households must restructure daily expenses to counter the rising cost of living.

### 1. Optimize Commutes and Daily Logistics

- **Utilize Hybrid Work Mandates:** Transition fully to your employer's Work From Home (WFH) days or online educational tracks supported by state directives to clear unnecessary weekly mileage.
- **Leverage Corporate Carpooling:** Use community ridesharing applications or group transit options rather than driving single-occupancy personal vehicles.
- **Consolidate Everyday Delivery:** Batch grocery orders and online purchases to absorb the surging third-party delivery fees being added by logistics platforms.

### 2. Transition to Fixed-Rate Energy Resources

- **Switch to Household PNG:** Prioritise connecting to your municipal Piped Natural Gas (PNG) grid network to eliminate reliance on highly volatile commercial LPG cylinders.
- **Capitalise on Extended EV Subsidies:** The Central Government officially extended demand incentives under the PM E-Drive Scheme for electric two-wheelers until **July 31, 2026**, providing a subsidy of ₹2,500 per kWh (capped at ₹5,000 per vehicle) to radically lower per-kilometre operational costs

### 3. Adjust Investment Allocations

- **Hedge with Commodities:** Allocate a portion of your liquid portfolio toward gold or energy exchange-traded funds (ETFs) to insulate your purchasing power from imported domestic inflation.

The **Reserve Bank of India (RBI)** is countering imported fuel inflation by shifting away from monetary easing, maintaining an aggressive "**Neutral**" policy stance, and preparing for potential **interest rate hikes**.

Led by Governor, the RBI's Monetary Policy Committee (MPC) is pivoting its strategy away from supporting growth to aggressively managing price stability as energy disruptions threaten the 4% inflation target.

## Pausing the Rate-Cut Cycle and Preparing to Hike

Following the outbreak of the West Asia conflict, the RBI halted its previous interest rate easing cycle.

- **The Baseline Pause:** In its latest MPC meetings, the RBI unanimously voted to **hold the policy repo rate at 5.25%**.
- **The Shift to "Neutral":** By maintaining a strict neutral stance, the RBI has given itself maximum operational flexibility. As high global oil prices filter through into retail goods, Governor warned that consumer price index (CPI) risks are rising rapidly.
- **Imminent Rate Hikes:** Economists expect the RBI to implement a **25 to 50 basis point hike** in upcoming emergency or scheduled MPC meetings if the government passes higher global crude costs directly down to retail fuel pumps.

## 4. Managing the Policy Corridor to Tighten Short-Term Cash

To absorb excess money supply and stop speculative inflation from taking root, the RBI keeps its broader liquidity framework tightly managed:

- **Standing Deposit Facility (SDF):** Maintained at **5.00%**, setting a high floor for banks to park surplus funds instead of pushing credit into the retail market.
- **Marginal Standing Facility (MSF) & Bank Rate:** Positioned at **5.50%** to keep overnight borrowing penalizing expensive for commercial banks facing liquidity deficits.

## 5. Aggressive Forex Interventions to Shield the Rupee

Fuel inflation in India is heavily compounded by a weak exchange rate, as a depreciating Rupee makes importing a single barrel of crude even more expensive.

- **Dollar Component:** The RBI is actively selling US dollars from its massive foreign exchange reserves to arrest the Rupee's 10% depreciation trajectory.
- **Liquidity Re-absorption:** When the RBI sells dollars, it inadvertently sucks Rupee liquidity out of the domestic financial system. The central bank utilizes **Open Market Operations (OMO)** to systematically regulate this short-term money supply, letting domestic yields harden naturally to deter non-essential corporate debt expansion.

## The Core Dilemma: Growth vs. Inflation

The RBI faces a delicate balancing act. Raising interest rates aggressively cools down domestic inflation by suppressing discretionary spending. However, because this crisis is a supply-side shock (fuel scarcity) rather than a demand-pull shock (overheating economy), higher borrowing costs can inadvertently slow down corporate expansion. This trade-off is a primary reason the RBI downgraded its FY 2026–27 GDP growth forecast to **6.9%** while elevating its CPI projection to **4.6%**.



### Building Energy Resilience for the Future

India's growing energy requirements, coupled with global geopolitical uncertainties and fluctuating crude oil prices, have intensified concerns around fuel security in 2026. Rising demand from transportation, manufacturing, logistics, and power generation sectors places significant pressure on fuel supply chains and import dependence. Addressing the fuel crisis requires a comprehensive strategy that balances immediate energy needs with long-term sustainability goals. Strengthening strategic petroleum reserves, diversifying import sources, and improving supply chain efficiency can help reduce vulnerability to global disruptions and ensure a more stable energy ecosystem.

A critical component of tackling the fuel crisis is accelerating the transition toward alternative and renewable energy sources. Expanding the adoption of electric vehicles, biofuels, green hydrogen, solar energy, and wind power can gradually reduce dependence on conventional fossil fuels. Government incentives, infrastructure development, and private sector participation will play a vital role in promoting cleaner energy solutions. At the same time, investments in public transportation and energy-efficient technologies can significantly reduce fuel consumption while supporting environmental objectives.

Technology and innovation will be key drivers in managing India's future energy challenges. Advanced analytics, artificial intelligence, and smart energy management systems can optimize fuel usage, improve demand forecasting, and enhance operational efficiency across industries. By combining energy diversification, technological advancement, and policy reforms, India can strengthen its energy security, minimize the impact of global fuel market volatility, and build a resilient framework capable of supporting sustainable economic growth in the years ahead.



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## India's Biggest Accounting Scandal and Lessons for Investors

The interim order passed by the Securities and Exchange Board of India (SEBI) on 3<sup>rd</sup> June 2026 in the matter of Rajesh Exports Limited (REL) has drawn widespread attention due to the extraordinary scale of alleged financial irregularities.

SEBI has alleged that there is a potential accounting irregularity or misrepresentation of nearly Rs.15 lakh crore in the company's financial statements.

According to SEBI's prima facie observations, there appears to be a massive mismatch of nearly Rs.15 lakh crore in the company's accounts.

Points toward prima facie evidence of financial misrepresentation, inflated revenues, fictitious transactions, and misuse of corporate funds.

### To understand how significant this number is:

- India's GDP is approximately Rs.350 lakh crore.
- The alleged discrepancy represents a substantial portion of the country's total economic output.
- Many entire countries do not have an annual GDP equal to Rs.15 lakh crore.



This is why the issue has emerged as one of the most serious accounting concerns in recent corporate history.

### Background of Rajesh Exports Limited

Rajesh Exports Limited is not a small or unknown company. At one point, it was among the highest revenue-generating companies in India. It has been one of the largest gold processing companies globally, with significant international operations. It has been operating for nearly three decades and built a global presence.

### Company Profile

- Incorporated in February 1995
- Business activities:
  - Gold refining and manufacturing
  - Jewellery manufacturing
  - Export of gold products worldwide
- Retail sales through 'Shubh Jewellers'

• In 2015, Rajesh Exports acquired Valcambi SA, a globally renowned gold refinery based in Switzerland.

Because of this acquisition:

- The company became one of the largest gold processors in the world.
- A significant part of its business operations began to be routed through international subsidiaries, especially in Switzerland.

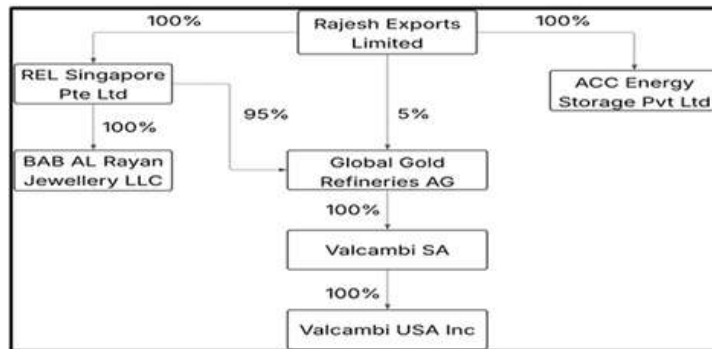
Market capitalization: approx. Rs.3,210 crore (as of June 2026)

## Group Structure

REL operates through a multi-layered corporate structure with both domestic and overseas entities. Major subsidiaries include:

- REL Singapore Pte Ltd
- Global Gold Refineries AG (GGR), Switzerland
- Valcambi SA, Switzerland (key refining entity)
- Bab Al Rayan Jewellery LLC, UAE
- ACC Energy Storage Pvt Ltd

A large portion of REL's consolidated business operations is routed through these foreign subsidiaries.



Corporate Structure of Rajesh Exports (Illustrative Diagram)



## Trigger for SEBI Investigation

The SEBI investigation began after a shareholder complaint dated 11<sup>th</sup> Mar 2024, raising concerns about possible financial misrepresentation, particularly regarding large outstanding trade receivables. Large amounts of trade receivables (money that the company was supposed to collect from customers) were outstanding for several years.

The company's books showed very high sales, however, payments from customers were not being received for years. This discrepancy prompted SEBI to initiate a forensic investigation.

## Following the complaint:

- SEBI initiated a probe covering the period April 1, 2020 to March 31, 2024
- A forensic audit was conducted by BDO India Services Pvt Ltd
- The investigation examined compliance with:
  - SEBI Act, 1992
  - Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015
  - Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market (PFUTP) Regulations, 2003

## History Leading to the Case

- 1995–2015: Rapid expansion in gold refining and exports
- Acquisition of global refining operations, including Valcambi SA
- Development of an international subsidiary network
- Strong reliance on consolidated financial performance rather than standalone operations
- 2020–2024 (Investigation Period):
  - Significant increase in consolidated revenues
  - Large receivables and payables reported
  - Majority of earnings shown to originate from foreign subsidiaries
- March 2024:
  - Shareholder complaint triggered scrutiny
- October 2024:
  - SEBI formally appointed investigating authority
- December 2024:
  - Forensic auditor (BDO India) appointed
- March 2026:
  - Forensic audit report submitted with major limitations

## What SEBI Found in the Investigation

The findings of the investigation were quite shocking and raised serious concerns.

### 1. Revenue Dependency on Foreign Subsidiaries

SEBI observed that between Financial Year 2021 and Financial Year 2025, nearly 99% of Rajesh Exports' revenue was reported to come from its foreign subsidiaries, particularly:

- Valcambi SA (Switzerland)

However, when SEBI examined the records of these subsidiaries:

- The actual revenue figures did not match
- The subsidiary financials showed much lower revenues than what was reported in the consolidated accounts

This is where the Rs.15 lakh crore discrepancy surfaced.

### 2. Possible Method of Revenue Inflation

To understand SEBI's allegation, consider the following example:

- Suppose a customer provides gold worth Rs.1 crore for processing and company earns only a processing fee of Rs.2 lakh. Correct Accounting shows Revenue = Rs.2 lakh (actual earnings) whereas in alleged practice Revenue has shown of Rs.1 crore (full value of gold)

In such a case:

- The company would be artificially inflating its revenue
- The reported turnover could become much higher than the actual earnings

According to SEBI, this kind of accounting treatment may have led to massive overstatement of revenues.

### 3. Lack of Transparency and Data Sharing

During the investigation:

- SEBI asked for:
  - Customer-wise data
  - Vendor details
  - Subsidiary records

However:

- The company allegedly did not provide complete information by cited Swiss privacy laws as a reason

SEBI's Response

- Privacy laws protect personal data
- They cannot be used to avoid regulatory disclosures by a listed company

This raised concerns that the company may have been withholding critical information.

### 4. Suspicious Transactions with Affluence Shares & Stocks

Another major issue relates to transactions with Affluence Shares and Stocks Pvt Ltd

Company's Books Showed

- Around Rs.11,500 crore of sales and purchases

But Affluence Stated

- They had no transactions with Rajesh Exports
- No business dealings existed

This contradiction raises serious questions about:

- The genuineness of transactions reported by Rajesh Exports
- Possible fictitious entries in financial statements

### 5. Questionable Investment in African Gold Mines

The company also reported:

- More than Rs.1,000 crore invested in gold mining projects in Africa

However:

- Affluence denied any such transactions
- No GST or banking evidence found
- Transactions were linked to trading in gold derivatives by promoter Rajesh Mehta (personal account)

#### **e) Misuse of Company Funds**

SEBI found that company funds were routed through:

·Personal accounts of promoters:

- oRs.338.90 crore via Rajesh Mehta
- oRs.21.25 crore via Siddharth Mehta

- Funds used for:

- Personal derivative trading
- Transactions not approved by board

These were:

- Not disclosed as related party transactions
- Not approved by Audit Committee

#### **f) Improper Accounting Practices**

REL reportedly violated accounting standards:

Issues:

- Forex gains included as revenue: Rs.866 crore
- Forex losses included in purchases: Rs.716 crore
- Interest income included in revenue: Rs.204 crore

This violated:

- Ind AS 21 (Forex)
- Ind AS 115 (Revenue recognition)

Impact

- Overstatement of revenue
- Misleading profitability ratios

#### **g) Non-Genuine Purchases**

Transactions with:

- Vienna Multiventures Pvt Ltd
- Harshil Enterprise

Issues:

- No supporting documents
- No GST or bank trail
- Suppliers were not involved in gold trading

Total suspicious purchases: approx. Rs.59 crore

#### **h) Incorrect Consolidation**

SEBI observed failures in consolidation:

- Intra-group balances not eliminated
- Investments inflated to Rs.10,750 crore
- Trade receivables/payables not supported

Violations of:

- Ind AS 110 (Consolidation)

#### **i) Unsubstantiated Investments**

REL claimed:

- Investment of Rs.1,035 crore in gold mines in Africa

However:

- No evidence or documentation
- No entity-level details

#### j)Difficult Adjustments of Receivables

- Rs.2,914 crore receivables adjusted against payables
- No formal agreements

#### Impact on Investors and Markets

The consequences of such alleged misrepresentation are not limited to accounting numbers. We can also figure out the market impact which shows that over the past two years approximately Rs.12,700 crore of investor wealth has been wiped out.

#### Conclusion

The Rajesh Exports case highlights a potential breakdown of financial reporting, transparency, and corporate governance.

The key concerns include:

- Massive mismatch in reported revenues
- Possible inflation of financial figures
- Non-cooperation with regulatory investigation
- Questionable transactions and investments

Given the scale of Rs.15 lakh crore, the issue is not just about one company, it raises broader questions about:

- Audit effectiveness
- Regulatory oversight
- Transparency in multinational corporate structures

#### Key learnings for Investors:

In the stock market, numbers can be presented—but only transparency gives them credibility.

- High revenue does not always mean strong business performance.
- Cash Flow is also important to analyze the business.
- Monitor over the long outstanding receivables which could indicate on fake or inflated sales.
- Multiple foreign subsidiaries can make financial difficult to verify.

#### Sources:

SEBI's Interim Order in the matter of Rajesh Exports Limited :

[www.sebi.gov.in/enforcement/orders/jun-2026/interim-order-in-the-matter-of-rajesh-exports-limited\\_101820.html](http://www.sebi.gov.in/enforcement/orders/jun-2026/interim-order-in-the-matter-of-rajesh-exports-limited_101820.html).



#### The Importance of Transparency and Governance

India's biggest accounting scandal serves as a powerful reminder of how financial misstatements and weak corporate governance can erode investor confidence and destroy shareholder value. The incident exposed how manipulated financial records, overstated revenues, and inadequate internal controls can create a misleading picture of a company's true financial health. Despite strong market performance and investor trust at the time, the revelation of accounting irregularities resulted in a sharp decline in market value, highlighting the importance of transparency, ethical leadership, and robust financial reporting practices in maintaining long-term credibility.

For investors, the scandal offers valuable lessons on the need for due diligence beyond headline numbers and reported profits. Evaluating corporate governance standards, auditor independence, cash flow consistency, management integrity, and disclosure quality is equally important as analysing financial statements. Investors should avoid relying solely on growth figures and instead assess the overall financial health and governance framework of a company. The episode reinforced the importance of diversification, risk management, and informed decision-making, reminding investors that strong governance and transparency are fundamental pillars of sustainable wealth creation.

## CHAPTER NEWS

### AHMEDABAD

#### **Webinar “Interaction on CAS-25 - CAS on Inventory valuation” –**

Chapter organized a Webinar on “Interaction on CAS-25 – CAS on Inventory Valuation” on 5<sup>th</sup> May 2026. CMA Parvathy Venkatesh & CMA Poonam Shah were the speakers of the webinar. CMA Ashish Bhavsar, Co-ordinator, PD Committee introduced and welcomed the speaker as well as participants. The Speakers delivered the presentation in a simple manner, which was very useful to the members. A large number of members participated in the webinar. The session was interactive and informative to the members. CMA Mitesh Prajapati, Chairman of Chapter proposed vote of thanks.

#### **Campus placement for Qualified CMAs of Dec’25 exam**

Chapter organized campus placement for qualified CMAs of Dec’2025 exam. Following leading corporates participated and takes benefit of campus placement for their requirement of CMAs.

- 1.Aadidaivam International Private Limited
- 2.VNC Global Business Edge Pvt. Ltd.
- 3.Cadila Pharmaceuticals Ltd
- 4.Mastek Limited
- 5.Anuj Aggarwal & Co.
- 6.Windlas Biotech Ltd

Total 48 candidates participated in campus placement at Ahmedabad. Package between Rs.6 Lacs to Rs.8 Lacs were offered to the participants to the right candidates. Still the process of campus placement is going on for some of the companies.

#### **60<sup>th</sup> Annual General Meeting**

The 60<sup>th</sup> Annual General Meeting of ICMAI-Ahmedabad chapter was held on 16<sup>th</sup> May’2026 at Chapter premises. A new committee was also formed for the year 2026-27 in the Managing Committee meeting held after the AGM.

#### **Free Eye & Health Check-up Camp**

Chapter, in collaboration with Shalby Hospitals, organized a Free Eye & Health Check-up Camp on May 16, 2026. The initiative aimed to promote health awareness, preventive care, and overall well-being among the institute’s community. The event saw an overwhelming response, with a large number of members and students actively participating. Medical experts and paramedical staff from Shalby Hospitals provided comprehensive screenings. A sincere vote of thanks was extended to the management and the dedicated medical team from Shalby Hospitals, Ahmedabad.

#### **Career Awareness campaign**

L J University extended a formal invitation to CMA Mitesh Prajapati, the Chairman of the Chapter, to participate as a guest speaker on their dedicated radio station, 90.8 FM. The recording session was scheduled for May 19, 2026, serving as a prominent platform for academic and professional outreach.

The primary agenda of the radio podcast was a comprehensive Career Awareness Campaign specifically centered around the Cost and Management Accountant (CMA) course. As the keynote speaker, Chairman CMA Mitesh Prajapati was invited to share his expert insights into the structure, curriculum, and global viability of the CMA designation. The session aimed to enlighten aspiring students and young professionals about the strategic role of cost accountants in corporate governance, financial planning, and business sustainability, thereby guiding them toward informed career decisions.

#### **Visit i-Hub**

CMA Mitesh Prajapati, Chairman alongwith CMA Ashish Bhavsar, CMA Dwarkesh Radadiya and CMA Jainil Patadia visited i-Hub on 22/05/2026 and had meeting with the Program Head to discuss on potential collaboration opportunities between ICMAI and i-Hub. Also observes the infrastructure facilities had with i-Hub. The ecosystem available for start-ups and innovation is impressive at i-Hub.

## BARODA

### Press Notes for Admission in CMA Foundation.

Chapter, has officially announced the commencement of the admission process for its CMA Foundation Course for the December 2026 session. The announcement received widespread coverage across prominent English and vernacular dailies, including The Times of India, Sandesh, Gujarat Samachar, Divya Bhaskar, and Loksatta. CMA Amruta Vyas, Chairperson of the Baroda Chapter, highlighted that students can seamlessly pursue this global professional qualification alongside their regular college degree programs (like B.Com).

### Career Prospects & Recognition

The press reports emphasize the bright career prospects the course offers in corporate leadership, financial management, auditing, GST compliance, and business analytics. Notably, the Baroda Chapter has been recognized as a premier hub in Western India, having previously clinched the "Best Chapter Award" in 2019 and 2025.

Furthermore, the curriculum provides opportunities for practical training (Articleship) with industrial stipends, preparing students directly for the global market.

### A Proud Moment: ICAI Baroda Chapter Welcomes PM Narendra Modi to Vadodara!

On May 11, 2026, the city of Vadodara transformed into a vibrant celebration as thousands gathered to welcome Prime Minister Narendra Modi. For the ICAI Baroda Chapter, it was a historic milestone—the delegation earned a coveted spot along the 1.5-kilometer roadshow route to represent the cost and management accounting fraternity.

Standing proudly amidst a sea of 40,000 citizens and echoing cultural performances, the ICAI members waved flags and displayed banners as the Prime Minister's convoy passed by.

#### Key Highlights

The Atmosphere: 16 stages showcasing India's diverse dance forms lined the streets from Gada Circle to Harni Airport.

The Recognition: As PM Modi passed the ICAI zone, he acknowledged the cheering professionals with his characteristic warm smile and wave.

The Impact: A proud moment for the Baroda Chapter, positioning the institute at the forefront of the city's premier civic and national event.

"Representing the ICAI Baroda Chapter and receiving a direct acknowledgment from the Prime Minister was an unforgettable honor for our entire professional community."

### Online CPE session titled "Fast Track Merger from Companies Act Lens"

Chapter successfully hosted an insightful Continuing Professional Education (CPE) program titled "Fast Track Merger from Companies Act Lens".

The event commenced promptly at 4:00 PM, drawing an enthusiastic crowd of more than 50 members eager to dive into the legal complexities of corporate restructuring. To kick off the session, CMA Vandit Trivedi, Secretary of the Baroda Chapter, took the stage to formally welcome the attendees and introduce the esteemed guest speaker for the evening, CMA Hemangini Suthar.

With the corporate landscape rapidly evolving, CMA Hemangini Suthar's presentation was both timely and highly practical. She expertly deconstructed the "Fast Track Merger" mechanism under the Companies Act, shedding light on how simplified legal procedures can drastically reduce timelines and compliance burdens for eligible companies.

### Activity of Placement & Training

Chapter arranged various activities regarding Placement & Training, Large number of Students & Members take benefit of this placement.

## SURAT SOUTH GUJARAT

### Career Counselling On 10th May 2026

Chapter organized a Career Counselling Seminar on 10th May 2026 at CMA Bhawan to guide students about career opportunities in the CMA profession.

The session was conducted by CMA Kenish Mehta & CMA Ravi Raghav Chhawchhairia. The seminar was attended by CMA Keval Shah, Vice Chairman and CMA Deepali Lakdawala, Managing Committee Member. The speakers were felicitated by CMA Deepali Lakdawala. Around 70 participants attended the programme and benefited from the informative session.

**Family Meet on 23rd May 2026**

Chapter organized a Family Meet titled “Ek Shaam CMA Parivaar Ke Naam” on 23rd May 2026 at The Village Rangoli Restaurant, Dumas Road, Surat from 6:00 PM onwards.

The event witnessed enthusiastic gathering of around 200 CMA Members and family members. The evening provided an excellent opportunity for fellowship, interaction and strengthening bonding among the CMA fraternity in a joyful atmosphere.

The programme was graced by the presence of the CMA Nanty Shah, Vice Chairman-WIRC, Chairman, Office Bearers and Managing Committee Members of the Chapter. The event concluded successfully with entertainment, networking, and dinner.

## WIRC STUDENTS FELICITATION PROGRAMME

WIRC has organised Students’ Felicitation Programme for the students who have completed Foundation, Intermediate and Final from Mumbai in December 2025 examination on 10<sup>th</sup> May 2026 at SNTD Patkar Hall, Mumbai.

CMA Rajesh Patel, CFO, Mahanagar Gas Limited was the Chief Guest for the programme.

CMA Mihir Vyas, Chairman WIRC, CMA Nanty Shah, Vice Chairman & Chairman Students Co-ordination Committee, WIRC, CMA Chaitanya Mohrir, Secretary, WIRC, CMA Arindam Goswami Treasurer, WIRC, CMA (Dr) Ashish Thatte, Central Council Member, CMA Harshad Deshpande, Central Council Member, CMA Mahendra Bhombe, RCM-WIRC, CMA Manisha Agrawal, RCM-ICMAI were present on the occasion.

More than 600 students and some of their parents attended the programme. Mementos were distributed to all successful students in recognition of their achievement. WIRC also felicitated all the Rank holders from the Western Region & Fresh CMAs who were attending 11 Days Pre Placement Orientation Programme on this occasion.

## OBITUARY



**CMA Pradeep Vasantrao Wandrekar (M/3575), Past Chairman of the Western India Regional Council (WIRC) for the year 2007–08, passed away on 13th June 2026. His demise is an irreparable loss to the Cost and Management Accounting profession and the ICMAI fraternity.**

**To mourn his sad demise and pay tribute to his remarkable contributions, the Western India Regional Council (WIRC) organized a Condolence Meeting on 15th June 2026 through MS Teams.**

**The meeting was attended by CMA Mihir Vyas, Chairman, WIRC, CMA Nanty Shah, Vice Chairman, WIRC, CMA Harshad Deshpande, CCM, ICMAI, along with several senior members of the profession. The participants paid heartfelt homage to the departed soul and fondly recalled his dedicated service, leadership, and valuable contributions to the Institute and the profession during his distinguished tenure.**

**Members expressed their deepest condolences to the bereaved family and prayed for strength to them in this difficult time. The meeting concluded with prayers for the eternal peace of the departed soul and a collective expression of respect, gratitude, and remembrance for the lasting legacy of CMA Pradeep Vasantrao Wandrekar.**

## Glimpses of Felicitation function organised by WIRC on 10<sup>th</sup> May 2026 at SNDT Women's University, Patkar Hall, Mumbai



CMA Mihir Narayan Vyas, Chairman, ICAI – WIRC felicitating Chief Guest CMA Rajesh Patel, CFO, Mahanagar Gas Limited



CMA Rajesh Patel, CFO, Mahanagar Gas Limited lighting the lamp along with CCM & RCM and WIRC Office Bearers



Felicitation of Ms. Deshna Jain – Final AIR 5 & WIRC Topper



Final Rank Holder & Final Completed Students in December 2025 Examination

To,



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**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
**WESTERN INDIA REGIONAL COUNCIL,**  
**Rohit Chambers, Janmabhoomi Marg, Fort,**  
**Mumbai 400 001**

Printed & Published by Mihir Narayanbhai Vyas on behalf of the Western India Regional Council of the Institute of Cost Accountants of India, Printed at Surekha Press, Gala No. A-20, First Floor, Shalimar Industrial Estate, Matunga Labour Camp, Opp. Tata Power Co., Andhra Valley Road, Matunga, Mumbai 400 019. Published at Western India Regional Council of the Institute of Cost Accountants of India, Office No. 32, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Dist-Mumbai, Pin Code-400 001, Maharashtra. Tel.: 9372045191, 8828061444, 9372036890 E-mail: wirc.admin@icmai.in Website:www.icmai-wirc.in. Editor:Mihir Narayanbhai Vyas

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