Professionals in Cost, Values in Action

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WIRC OF ICMAI | WESTERN INDIA REGIONAL COUNCIL

HAPPY Diwali

FESTIVAL OF LIGHTS

May this Diwali light the path to new opportunities, greater success and a brighter tomorrow.

Let's continue to illuminate the future with ***knowledge, integrity and collective progress.***



STRONGER CMAs | A BRIGHTER TOMORROW

Follow us on:

CMA Mahendra Bhombe, Chairman, ICMAI-WIRC, along with CMA Suresh Gunjalli, Chairman, Capital Market Committee, ICMAI; CMA Navneet Kumar Jain, CCM, ICMAI; and CMA (Dr.) Ashish Thatte, CCM, ICMAI, held an insightful and interactive meeting with:



Shri Kamlesh Chandra Varshney – Whole-Time Member, SEBI



Shri Jeevan Sonparote – Executive Director, SEBI



Shri Venkateswaran Ramakrishnan – General Manager, SEBI



Dr. Milind Dalvi – CEO, AIBI

The meeting focused on "Leveraging CMA Expertise to Strengthen Governance, Compliance & Value Creation in Capital Markets."

Theme for November 2026:

"Beyond Borders: Geopolitics, Trade Wars & Supply Chain Resilience"

Articles on the theme as well as other professional matters are invited along with scanned copies of their recent passport size photograph, email id, mobile no and scanned copy of declaration stating that the articles are their own original and have not been considered for anywhere else.
Please send your articles by e-mail to wirc@icmai.in before 10th November 2026.

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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."

CHAIRMAN'S COMMUNIQUE



CMA MAHENDRA BHOMBE
Chairman, ICMAI-WIRC

Dear Esteemed Members, Professional Colleagues and Dear Students,

"Great things are done by a series of small things brought together."
— Vincent van Gogh

Warm greetings from ICMAI-WIRC!

As we approach the close of October, I am filled with immense enthusiasm and pride as I reflect upon a month marked by meaningful engagements, professional excellence, knowledge sharing and new opportunities for our CMA fraternity. At ICMAI-WIRC, we firmly believe that the strength of our profession lies in its ability to anticipate change, embrace innovation and create sustainable value for businesses and society. Every initiative undertaken this month reflects our continued commitment to empowering members, inspiring students and elevating the contribution of Cost and Management Accountants to the nation's economic progress.

Our guiding spirit remains: **"Every Member Matters, Every Student Matters and Every Opportunity Matters."** Together, we are building a profession that is future-ready, technology-driven and deeply committed to governance, accountability and value creation.

This month, our focus is on "Internal Audit & Risk Management: The Changing DNA of Corporate Control." In today's dynamic business environment, internal audit has evolved beyond a traditional compliance function into a strategic instrument for governance, resilience and value creation. Effective risk management enables

organisations to anticipate uncertainties, strengthen internal controls and make informed decisions. CMAs, with their expertise in cost management, financial analysis, performance evaluation, internal controls and strategic planning, are uniquely positioned to identify emerging risks, enhance operational efficiency and support sustainable growth. As trusted business partners, CMAs can help organisations move from reactive control mechanisms to proactive, technology-enabled and risk-intelligent governance.

I am happy to share that ICMAI-WIRC continues to strengthen its engagement with key regulatory authorities and industry leaders, with the objective of representing the concerns of our members and creating new avenues for professional growth.

Interaction with the Ministry of Corporate Affairs

I am pleased to share that ICMAI-WIRC had the privilege of interacting with Ms. Pallavi Jain Govil, IAS, Secretary, Ministry of Corporate Affairs, and Ms. Tanvi Sundriyal, Joint Secretary, MCA, at the ROC Office, Mumbai. We highlighted key challenges faced by CMA members, particularly technical glitches in filing Form CRA-4, HSN code validation errors, persistent MCA portal issues and the need for an extension of the filing deadline. The interaction reflected our continued commitment to representing members' concerns and facilitating smoother regulatory compliance.

Engaging with SEBI and AIBI: Expanding the CMA Role in Capital Markets

The undersigned, along with CMA Suresh Gunjalli, Chairman, Capital Market Committee, ICMAI; CMA Navneet Kumar Jain, CCM, ICMAI; and CMA (Dr.) Ashish Thatte, CCM, ICMAI, held an insightful meeting with Shri Kamlesh Chandra Varshney, Whole-Time Member, SEBI; Shri Jeevan Sonparote, Executive Director, SEBI; Shri Venkateswaran Ramakrishnan, General Manager, SEBI; and Dr. Milind Dalvi, CEO, AIBI.

The deliberations centred on “Leveraging CMA Expertise to Strengthen Governance, Compliance & Value Creation in Capital Markets.” We explored opportunities for CMAs to contribute to valuation, risk management, regulatory compliance, internal controls and strategic financial decision-making, thereby strengthening market transparency, accountability and investor confidence.

Strengthening Industry Connect with Edelweiss Asset Management

The undersigned, along with CMA Chittaranjan Chattopadhyay, President, ICMAI, and CMA Vivek Bhalerao, Vice Chairman, ICMAI-WIRC, had a productive meeting with Mr. Niranjan Avasthi, President, Edelweiss Asset Management. The discussion focused on bridging the CMA profession with the financial services industry and exploring meaningful career pathways and professional opportunities for CMAs in the evolving financial ecosystem.

SAMRUDDHI 2026 – Advancing the Sustainability Agenda

It was a privilege to grace SAMRUDDHI 2026, organised by the Sustainability Standards Board (SSB), ICMAI, in association with the ICMAI Nashik Chapter on 2 October 2026. The programme was graced by Shri Girish Mahajan, Hon. Minister of Water Resources, Kumbh Mela and Disaster Management, Government of Maharashtra and Guardian Minister of Nashik, as Chief Guest, along with Shri Shekhar Singh, IAS, Kumbh Mela Commissioner, Nashik, and Smt. Himgauri Aher-Adke, Hon. Mayor, Nashik Municipal Corporation, as Guests of Honour.

The initiative underscored the growing importance of sustainability, responsible resource management and integrated reporting. CMAs have an important role in translating sustainability commitments into measurable outcomes through cost efficiency, ESG performance measurement and transparent accountability.

Professional Development: Advancing Knowledge and Expertise

The Professional Development Committee of ICMAI-WIRC continued its efforts to equip members with emerging competencies and industry-relevant insights through a series of impactful programmes.

Empowering Sessions series on the occasion of Navratri

The Professional Development Committee, jointly with the Taskforce for Women's Empowerment of ICMAI-WIRC, successfully organised a special nine-day series of empowering sessions during Navratri. The enthusiastic participation reflected the importance of creating platforms that encourage women professionals to enhance their capabilities, share experiences and emerge as confident leaders. Such initiatives reaffirm our commitment to an inclusive and progressive professional community.

Seminar on Metro Railway, Thermal Power Projects and Infrastructure Finance – A CMA's View

Held at the WIRC Office on 16 October 2026, the seminar provided valuable insights into the financial and operational dimensions of large-scale infrastructure projects. CMA Debasish Mitra, CFO and Director (Finance) I/C, Madhya Pradesh Metro Railway Corporation Ltd., shared his perspectives on project finance, cost optimisation, financial discipline and infrastructure management. The deliberations highlighted how CMAs can contribute to project viability, resource allocation, cost control and financial sustainability in capital-intensive sectors.

AI Master Class for ONGC Officials

On 22 and 23 October 2026, the Professional Development Committee organised an AI Master Class for officials of ONGC at the WIRC Office, Mumbai. The programme focused on the growing relevance of Artificial Intelligence in business decision-making, operational efficiency
and financial management. As technology reshapes the professional landscape, CMAs must embrace AI-enabled tools, data analytics and automation to strengthen forecasting, identify risks, improve productivity and deliver strategic insights. This initiative reflects WIRC's commitment to preparing professionals for a technology-driven future.

Valuation Skill & Knowledge Enhancement Programme

ICMAI-WIRC successfully organised the valedictory session of the Advanced Skill Training Programme on 1 October 2026 at Mumbai, celebrating approximately 300 newly qualified CMAs of the June 2026 term. CMA Rajeeb Chatterjee, Executive Vice President, Shapoorji, graced the occasion as Chief Guest, while CMA Harshad Deshpande, CCM, ICMAI, was the Guest of Honour.

The programme marked an important milestone in the professional journey of the newly qualified CMAs, recognising their dedication and readiness to enter the corporate and professional world. ASTP bridges the gap between academic learning and practical application by equipping young professionals with industry-relevant skills, workplace readiness and confidence. I congratulate all the newly qualified CMAs and wish them success as they embark on promising professional journeys.

MSME RISE 2026 – उत्कर्ष – From Enterprise to IPO

The MSME & Startup Promotion Committee of ICMAI-WIRC, jointly with the MSME & Start-up Promotion Board of ICMAI, is organising MSME RISE 2026 on Saturday, 31 October 2026, at Hotel Centre Point, Nagpur.

The convention aims to empower MSMEs and start-ups with the knowledge and strategic perspectives required to scale operations, strengthen financial systems and access growth capital. The programme will feature three technical sessions and one panel discussion, covering key aspects of enterprise development, financial strategy, capital mobilisation and the journey towards IPO readiness.

I warmly invite members, entrepreneurs, industry leaders and aspiring professionals to participate in this important initiative. Let us collectively support India's MSME ecosystem and contribute to building resilient, competitive and growth-oriented enterprises.

As we celebrate the auspicious festival of Diwali, may the light of the diyas illuminate our lives with wisdom, positivity, prosperity and new possibilities. May this festival inspire us to overcome challenges, embrace innovation and move forward with renewed confidence and purpose.

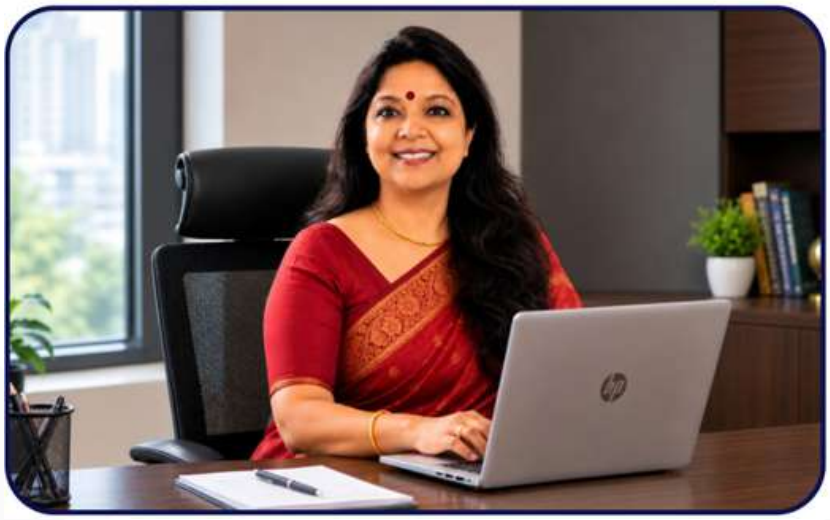
May the coming year bring happiness to every family, success to every professional endeavour and new opportunities for our CMA fraternity.

Wishing you and your family a very Happy, Prosperous and Joyous Diwali!

Warm regards,

CMA Mahendra Bhombe
Chairman
Western India Regional Council
The Institute of Cost Accountants of India

EDITORIAL COMMUNIQUE



CMA Manisha Agrawal
Secretary & Treasurer ICMAI-WIRC
Chairperson – Editorial Board WIRC-Bulletin

Dear Members,

Warm greetings on the auspicious occasion of Dussehra!

Dussehra symbolises the victory of good over evil, truth over falsehood and wisdom over ignorance. In the corporate world, this timeless message reminds us of the importance of ethical governance, transparency, accountability and the courage to address weaknesses before they become serious risks. Just as Dussehra inspires us to overcome negativity, effective internal audit and risk management help organisations identify vulnerabilities, strengthen controls and move towards sustainable growth.

At WIRC, we constantly strive to bring the best of knowledge-sharing through our E-Bulletin by featuring relevant, insightful and thought-provoking articles that keep our members updated with emerging trends, professional developments and new opportunities.

I would like to encourage our members to come forward and contribute articles, professional insights, practical experiences and case studies across diverse areas of our profession. Your knowledge and experience can inspire fellow members, enrich our collective learning and strengthen the professional community.

Internal audit and risk management are undergoing a fundamental transformation. Traditionally viewed as mechanisms for detecting errors and reporting deviations, they are now emerging as strategic partners to the Board, Audit Committee and senior management.

Their effectiveness lies not only in identifying what went wrong, but also in anticipating what could go wrong and preparing organisations to respond.

The changing DNA of corporate control reflects a shift from reactive compliance to proactive, technology-enabled and risk-intelligent management. Internal Audit and Risk Management is one such area where we, as Cost and Management Accountants, can contribute immensely. Our expertise in costing, financial analysis, internal controls, operational efficiency, risk assessment and strategic decision-making places us in a unique position to help organisations move beyond compliance towards better governance and sustainable growth.

For example, an increase in production costs should not merely be reported as an adverse variance. The underlying causes may include material wastage, inefficient capacity utilisation, procurement weaknesses, rising energy consumption or inadequate production controls.

Let us use the WIRC E-Bulletin not merely as a publication, but as a platform to share knowledge, showcase our expertise and learn from one another.

Diwali is around the corner: Let the Light of Good Governance Shine.

As we celebrate Diwali, the festival of lights, let us illuminate our professional journeys with the values of integrity, transparency, accountability and ethical leadership.

May the light of Diwali dispel the darkness of uncertainty, expose hidden risks, strengthen trust and inspire us to build organisations that are not only profitable but also responsible, resilient and sustainable.

Wishing all members and readers a Happy, Prosperous and Enlightening Diwali!

CMA Manisha Agrawal
Secretary & Treasurer ICMAI-WIRC &
Chairperson – Editorial Board WIRC- Bulletin



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Internal Audit Innovation through Smart Technology

Abstract

Internal auditing plays an important role in helping organizations manage risks, follow rules and regulations, and improve their overall performance. However, traditional auditing methods can be time-consuming and may not always identify problems quickly. With the development of modern technology, internal auditors now have better ways to examine records, check internal controls, and identify possible risks. Technologies such as artificial intelligence (AI), the Internet of Things (IoT), big data analytics, blockchain, and robotic process automation (RPA) are changing the way internal audits are carried out. These tools help auditors examine large amounts of data, reduce manual work, detect unusual transactions, and identify problems at an early stage. Although smart technology offers many benefits, its successful use depends on good-quality data, proper training, and effective management. This paper discusses how smart technologies are used in internal auditing, their major benefits, the challenges involved, and the steps organizations can take to use them effectively.

1. Introduction

Internal auditing is an important part of an organization's management and control system. It helps ensure that business activities are carried out properly, financial records are reliable, and organizational rules are followed. In today's business environment, organizations face many challenges, including cybercrime, financial fraud, changing regulations, and operational problems. These risks make it necessary for internal auditors to improve their working methods.

Traditional auditing mainly depends on manual checking, sample testing, and periodic reviews. Although these methods are still useful, they may take a lot of time and may not identify every problem. For example, when auditors examine only a small number of transactions, some errors or suspicious activities may remain unnoticed.

Modern technology provides new ways to deal with these challenges. Artificial intelligence can help identify unusual transactions, data analytics can examine large volumes of financial records, and automation can complete repetitive audit tasks more quickly. Other technologies, such as blockchain and connected sensors, can help auditors verify transactions and monitor physical assets.

These developments allow internal auditors to focus more on important risks instead of spending most of their time on routine work. They also help organizations respond to problems more quickly and make better decisions. Therefore, the use of smart technology has become an important part of improving the effectiveness of internal auditing.

2. Concept of Sustainable Growth

Smart internal auditing means using modern technology to make audit work faster, more accurate, and more useful. It combines traditional auditing knowledge with digital tools that help auditors collect information, check records, and identify possible problems.
In the past, internal audits were usually conducted at specific times during the year. Today, technology allows organizations to check certain transactions and controls more frequently. This helps auditors understand what is happening within the organization and identify problems before they become more serious.

Smart internal auditing mainly focuses on three areas.

2.1 Governance and Operational Efficiency

Internal auditors check whether an organization has proper rules, procedures, and internal controls. They also examine whether business activities are being carried out efficiently.
Smart technology helps auditors perform these checks with less manual effort. For example, automated systems can compare financial records, identify errors, and highlight transactions that do not follow company policies.These checks help organizations improve their processes, reduce unnecessary costs, and strengthen internal controls.

2.2 Risk Management and Compliance

Every organization faces risks that may affect its finances, reputation, or daily operations. Internal auditors help identify these risks and check whether the organization has suitable measures to manage them.
Technology makes this process easier by helping auditors monitor transactions, identify unusual activities, and check whether important rules are being followed. It can also help organizations respond more quickly when a problem occurs.However, the information produced by these systems must be checked carefully to ensure that the results are reliable.

2.3 Supporting Management Decisions

Internal audit is not limited to finding mistakes. It also helps management understand problems and improve the way the organization operates.
By using data analytics and other digital tools, auditors can identify repeated errors, weak controls, and areas where resources are being wasted. They can then share their findings with management and suggest practical improvements.
In this way, internal auditing can support better decision-making while maintaining its independence and objectivity.

3. Role of Smart Technology in Internal Auditing

Smart technologies help auditors perform their work more efficiently and examine information in greater detail. Some of the most useful technologies are discussed below.

3.1 Artificial Intelligence and Machine Learning

Artificial intelligence allows computer systems to perform tasks that normally require human analysis, such as recognizing patterns and identifying unusual activities. Machine learning helps these systems learn from data and recognize patterns that may indicate a problem.

In internal auditing, AI can help identify suspicious payments, unusual expenses, and possible cases of financial fraud. It can also assist auditors in reviewing contracts, financial reports, and other documents.

For example, an AI-based system may identify several payments that appear unusual compared with the organization's normal payment patterns. The auditor can then examine these transactions to determine whether they are genuine or require further investigation.

AI can save time and help auditors find problems that might otherwise be overlooked. However, it cannot replace human judgment. Auditors must review the results carefully because the system may sometimes identify genuine transactions as suspicious or fail to detect certain problems.

3.2 Internet of Things (IoT)

The Internet of Things refers to physical devices connected to the internet that collect and share information. These devices include sensors, tracking systems, and smart monitoring equipment.

In internal auditing, IoT can help organizations monitor inventory, equipment, and other physical assets. For example, sensors in a warehouse may record the movement and storage conditions of goods. Auditors can compare this information with inventory records to identify differences.

Similarly, connected devices can provide information about equipment performance and maintenance requirements. This helps auditors check whether assets are being properly maintained and used.

Although IoT can improve the monitoring of physical assets, the information collected by sensors must be reliable. Organizations must also protect connected devices from unauthorized access and technical failures.

3.3 Big Data Analytics

Big data analytics helps auditors examine large amounts of information collected from financial and operational systems. Instead of checking only a small sample of transactions, auditors can analyze all available transactions that fall within the scope of a particular test.

For example, data analytics can help identify duplicate payments, unusual expenses, missing approvals, and transactions that exceed authorized limits. It can also help auditors identify employees who have conflicting access rights in financial systems.

This approach provides a broader view of business activities and helps auditors identify patterns that may indicate weaknesses in internal controls.

3.4 Blockchain Technology

Blockchain is a digital system used to record transactions in a way that makes unauthorized changes easier to detect. It can improve the transparency and traceability of transactions when properly designed and managed.

In internal auditing, blockchain may be useful for checking transaction histories, tracking goods in supply chains, and reviewing records of asset ownership. It can also help auditors examine transactions carried out through smart contracts.

For example, an auditor may use blockchain records to trace the movement of goods between suppliers and buyers. This can help identify differences between recorded transactions and other supporting documents.

However, blockchain does not guarantee that every recorded detail is correct. Auditors must still check whether the information entered into the system is accurate and whether the system has been properly controlled.

3.5 Robotic Process Automation (RPA)

Robotic process automation uses software to perform repetitive tasks according to predefined instructions. It is particularly useful for activities that follow the same steps each time.

In internal auditing, RPA can help collect data, compare records, prepare reports, and carry out routine checks. For example, a software bot can collect payment records from different systems and identify transactions that do not match the required criteria.

This reduces the time auditors spend on routine work and allows them to focus on more important activities, such as investigating suspicious transactions and understanding the reasons behind control failures.

However, automated processes must be checked regularly. If the instructions are incorrect or outdated, the system may produce inaccurate results.

4. Uses of Smart Technology in Different Areas of Internal Audit

4.1 Continuous Auditing and Monitoring

Traditional audits are usually carried out at particular times during the year. As a result, some problems may remain unnoticed until the next audit.

Smart technology allows organizations to check selected transactions and controls more frequently. Automated systems can identify transactions that break company rules and send alerts to the responsible employees or auditors.

For example, a system can flag payments made without proper approval or transactions that exceed a specified limit. This helps the organization investigate problems earlier and take corrective action.

Continuous monitoring can improve control over business activities, but the alerts must be reviewed carefully to avoid unnecessary investigations.

4.2 IT and Cybersecurity Auditing

Organizations depend heavily on computers, networks, and digital systems to carry out their daily activities. This makes cybersecurity an important area of internal auditing.

Smart tools help auditors examine user access, password policies, security updates, and system activity. They can also identify unusual login attempts or changes in user permissions.

For example, if an employee receives access to financial information that is not required for their job, an automated system may flag the issue for review.

These tools help auditors identify security weaknesses and recommend improvements. However, organizations must ensure that audit systems themselves are secure and that confidential information is properly protected.

4.3 Financial and Operational Auditing

Smart technology can improve both financial and operational audits. In financial auditing, automated systems can compare account balances, check expenses, identify duplicate payments, and review journal entries.

In operational auditing, technology can help examine inventory movements, equipment performance, production records, and maintenance activities.

For example, if a machine repeatedly breaks down, auditors can review maintenance records to determine whether the problem is related to poor maintenance, incorrect procedures, or weaknesses in management oversight.

By examining financial and operational information together, auditors can better understand the causes of problems and recommend practical solutions.

4.4 Regulatory and Compliance Auditing

Organizations must follow laws, regulations, industry requirements, and internal policies. Keeping up with these requirements can be difficult, especially when regulations change frequently.

Technology can help auditors organize regulatory information, compare requirements with company policies, and identify areas that may need attention.

For example, software that processes written documents can help identify changes in regulatory requirements and highlight internal policies that may need updating.

Automated tools can also track corrective actions and help auditors check whether identified compliance issues have been addressed. However, the final interpretation of important legal and regulatory requirements should be reviewed by qualified professionals.

5. Benefits of Smart Technology in Internal Audit

The use of smart technology offers several benefits to organizations.

- Better audit coverage: Data analytics allows auditors to examine large datasets and, where appropriate, test an entire population of transactions instead of relying only on samples.
- Early identification of risks: Automated checks can help identify unusual activities and control weaknesses before they lead to greater losses.
- Time savings: Automation reduces the amount of time spent on repetitive tasks and allows auditors to concentrate on more important issues.

- Improved accuracy: Standardized testing procedures can reduce certain types of manual errors and make audit work more consistent.
- Better decision-making: Detailed analysis helps auditors provide management with useful information about risks, weaknesses, and areas for improvement.
- Improved transparency: Digital records and automated reports can make it easier to track audit procedures and explain how findings were identified.
- More efficient use of resources: Audit teams can use their time and skills more effectively by focusing on high-risk areas.

These benefits depend on how well the technology is implemented. Organizations must ensure that the tools are suitable for their needs and that auditors understand how to use and evaluate them.

6. Challenges in Using Smart Audit Technology

Although smart technology can improve internal auditing, organizations may face several difficulties when introducing it.

6.1 High Initial Cost

Modern audit software, data systems, and security tools can be expensive. Organizations may also need to spend money on employee training, technical support, and regular system maintenance.
Smaller organizations may find these costs difficult to manage. They can begin with simple and affordable tools and gradually introduce more advanced technology as their needs and budgets allow.

6.2 Poor Data Quality

Technology depends on reliable information. If financial records are incomplete, outdated, or incorrect, the results of automated testing may also be unreliable.
Organizations should improve their data collection procedures and ensure that information from different systems can be compared properly before introducing advanced audit tools.

6.3 Lack of Technical Skills

Some internal auditors may have limited experience with data analytics, AI, automation, or cybersecurity. This can make it difficult to use modern audit tools effectively. Organizations can address this problem through training, professional development, and cooperation with IT specialists. Auditors should learn not only how to operate these tools but also how to question and verify their results.

6.4 Data Privacy and Security

Internal auditors often work with confidential financial records, employee information, and customer data. Using technology to analyze this information can create privacy and security risks if proper safeguards are not in place.

Organizations should restrict access to sensitive data, use secure systems, and establish clear rules for storing and sharing audit information.

6.5 Errors in Automated Systems

Automated tools can make mistakes, especially when they use incorrect data or outdated instructions. AI systems may also produce misleading results or fail to recognize certain risks.
For this reason, auditors should regularly test automated systems, review unusual results, and maintain human oversight. Technology should support audit decisions rather than make important decisions without proper review.

7. How Organizations Can Implement Smart Audit Technology

Organizations need a clear plan to introduce technology into internal auditing successfully. Simply purchasing software is not enough; the tools must support the organization's actual audit needs.

7.1 Prepare a Clear Plan

The first step is to identify the areas where technology can provide the greatest benefit. Organizations should review their existing audit processes, available data, current problems, and financial resources.
They can begin with straightforward tasks, such as checking duplicate payments or automating account reconciliations. Once these projects show positive results, more advanced tools can be introduced.

7.2 Train Internal Audit Staff

Auditors need the right skills to work with modern technology. Training should cover data analytics, digital reporting, automation, cybersecurity, and the responsible use of AI.
Organizations should also encourage auditors to improve their analytical thinking and communication skills. Technical knowledge is most useful when auditors can explain their findings clearly and suggest practical solutions.

7.3 Encourage Cooperation Between Departments

Internal auditors should work with IT, finance, compliance, and risk management teams to understand the organization's systems and data.
This cooperation can make it easier to obtain relevant information, identify important risks, and develop useful analytical tools. However, internal audit must remain independent when evaluating the work of these departments.

7.4 Check the Quality of Technology

Organizations should regularly review their automated audit tools to ensure that they are working correctly. This includes checking the accuracy of the data, the logic used for testing, and the reliability of the results.

Any changes to automated procedures should be properly tested and documented. Auditors should also investigate whether the tools are producing too many incorrect alerts or failing to identify important exceptions.

7.5 Measure the Results

Organizations should assess whether smart technology is actually improving their audit work. They can measure the time required to complete audits, the number of relevant risks identified, the speed of corrective action, and the reliability of automated procedures.
These measures help management understand which tools are useful and where further improvements are needed. The main objective should be better audit quality and risk management, rather than simply increasing the amount of work performed by technology.

8. Future of Smart Technology in Internal Auditing

Technology is likely to play an even greater role in internal auditing in the coming years. Improvements in AI, data analytics, and automation may allow auditors to examine information more quickly and identify relationships between different types of risk.

Generative AI may help auditors summarize documents, organize evidence, and prepare preliminary reports. Advanced data analysis may also help identify connections between suppliers, employees, payments, and other business activities that could indicate unusual patterns.
Organizations may increasingly use automated systems to monitor important transactions and controls throughout the year. This could help auditors identify problems earlier and spend more time investigating serious risks.

However, greater use of technology will also create new challenges. Auditors will need to understand the risks associated with AI, data privacy, cybersecurity, and the reliability of automated decisions.
Human judgment will therefore remain essential. Technology can process information quickly, but auditors must still decide whether the evidence is reliable, understand the reasons behind a problem, and communicate appropriate recommendations.

In the future, successful internal auditing will depend on combining modern technology with professional knowledge, independence, and careful decision-making.

9. Conclusion

Smart technology is changing the way internal audits are carried out. Tools such as artificial intelligence, big data analytics, the Internet of Things, blockchain, and robotic process automation help auditors examine information more efficiently, identify unusual activities, and improve the evaluation of internal controls.

These technologies can reduce manual work, improve audit coverage, and help organizations respond to risks more quickly. They can also provide management with useful information for improving business processes and making better decisions.

However, the successful use of smart technology is not free from challenges. High costs, poor data quality, limited technical skills, privacy concerns, and errors in automated systems must be addressed carefully. Organizations should therefore introduce technology gradually, provide proper training, protect confidential information, and regularly check the reliability of automated tools. They must also ensure that internal auditors continue to apply professional judgment and maintain their independence.

Overall, smart technology can make internal auditing more effective, flexible, and useful to organizations. When used responsibly, it can strengthen internal controls, improve risk management, and support long-term organizational growth and stability.

References

The Institute of Internal Auditors. Global Internal Audit Standards. 2024.

Guidelines for Articles - WIRC Bulletin

1. The Article should be in English and should not exceed 2000 words.
2. The main headline of the article should be clear, short, catchy and interesting
3. The Article should be original and not published/broadcasted/hosted elsewhere including any website. A declaration in this regard should be submitted to the Institute in writing at the time of submission of article.
4. The article should be written in clear and concise manner. The language should be simple and grammatically correct, with short sentences. The illustrations and tables used should facilitate the comprehension of points being made in the article.
5. If you're referencing or building upon the work of others, give proper credit through citations or acknowledgments. The authors must provide the list of references at the end of article.Plagiarism is unacceptable in any form of publishing.
6. Editorial Board may request revisions or edits to your article before it's accepted for publication.
7. In case the article is found not suitable for publication, the same shall be communicated to the members, preferably by e-mail.

Submission Deadline: Article to submit by 20th of the previous month of publication. This will allow ample time to review the article

Submission Process: Article to be send via email wirc.admin@icmai.in with the subject line "Article for WIRC Bulletin." And attached in Word format alongwith Brief profile of author, current designation, email IDs, complete postal address, contact numbers and high-resolution passport size photograph in the same email along with article.



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CHECKLIST OF INTERNAL AUDIT OF MARKETING FUNCTION

Internal Audit of the marketing function assumes importance as it decides the top line of the organisation and also the bottom line, subject to the principal cost element

So, following checklist, an illustrative in nature, of internal audit of the marketing function shall enable the marketing department and the management to achieve their desired top line, bottom line and market share

- The Marketing Department should be primarily responsible for maintaining the Top Line of each Product and for the Company as a whole, for which the primary guiding factor is the Top Line as envisaged in the Budget.

Every Month, product-wise sales for each product as per the budget – Quantity, Rate and Value should be compared with Actual Sales – Quantity, Rate and Value

Any shortfall should be appropriately looked into

This comparative statement may be maintained in an Excel File with a remarks column for positive/negative variance in Quantity and or Rate

This should be the subject matter of discussion in every monthly executive meeting, with probable resolution

In every well-managed company, actual vis-à-vis budget is discussed in the quarterly board meeting, which includes sales (top line)
Performance of key products is discussed

For key products contributing 75 % to 80 % of the top line, product-wise sales should be compared with both budgeted sales and sales achieved in the previous year
Both quantity and rate are discussed and deliberated

- In the monthly executive meeting, there should be meaningful discussion with respect to product-wise cost, contribution, margin, etc.

Ideally, it should be headed by an MD
There should be minutes of the meeting, including action points, which can be reviewed in the next meeting
Likewise, this may become an ongoing process.

- For Bottom Line, both the Marketing Department and Supply Chain Partners, who are custodians of Principal Cost Components, should play proactive Roles.

- Every month, Productwise Contribution and Profitability Statement (MIS) should be provided to the Marketing Department so that the Marketing Department can take an informed decision regarding the pricing of the product, considering the Productwise Profitability Statement

- For any given selling price, marketing should be aware of the margin after raw material cost, contribution and net margin

- Price for the product should provide for a sufficient delta for the principal cost component, contribution and margin

- Products which are yielding negative contribution and are still manufactured and sold, it should be the result of a strategic decision on the part of Marketing. Say, for example, a company wants to make its presence felt in the market for some product, even if the product provides a negative contribution

- The Marketing Department should work in close coordination with the production department so that Production is for sale and not for keeping it in inventory.

- Marketing Department should regularly review the Ageing Analysis of Finished Products, along with reasons and possible resolutions.

It should be regularly discussed in the monthly executive meeting

Any product that has been in inventory for more than 3 months from the date of manufacture should be looked into.

Reasons should be ascertained for suitable corrective action

Say, for example, the customer has placed the order, manufacturing takes place, and afterwards, the customer informs that the order placed is to be cancelled.
In future, sales to such customers should be discouraged.

If quality control has not cleared the products due to a quality problem, then the root cause should be ascertained. The option of reprocessing should be considered.

It may be due to production undertaken to meet a target that has little bearing on actual sales. This will result in the accumulation and ageing of inventory.
This should be discouraged.

- Any customer complaints should be given due attention, as they often damage the company's reputation.

- There should be a separate cell to monitor customer complaints for resolution

- There should be a system of Reward for the Marketing Department for achieving/exceeding the Top Line as envisaged in the Budget. Incentives provide recognition to the marketing executives.
  In well-managed companies, there is system for providing an appreciation letter, duly signed by the MD.

- At the time of fixing the selling price, marketing should be aware of the Cost Structure, the contribution it shall result in, and the margin it shall result in.

- At the time of accepting the sales order, marketing should be aware of the availability of principal input so that the product can be manufactured and delivered to the customer within the timelines provided

Principal input may be the availability of plant, raw material, electricity, manpower, etc
Say, for example, maintenance is taking a 1-week annual shutdown.
So marketing should be aware that the plant shall not be available for 1 week
So marketing should accept sales orders in such a way that timelines of delivery to the customer are not affected, keeping in view the unavailability of the plant for 1 week

- Efforts of the marketing to develop new customers and the value of sales to them

- Marketing should review sales to customers whose payment is outstanding beyond the credit period prescribed

This is because the company has to make payments to input providers, such as vendors for raw materials, packing materials, and other supplies, as well as salaries to employees and payments for utilities.

- There should be a defined credit policy. Any overridings should be duly approved as per the delegation of authority

- There should be a regular review of overdue. If this is a regular feature with any customer,then future transactions with such a customer should be discouraged

- Sales order should enable optimum capacity utilisation. Capacity utilisation has its own cost advantage

- Marketing should be aware of the cost at different capacity levels so that part of the gain in cost due to better capacity utilisation can be suitably passed on to the customers

Say, for example, depreciation, employee cost, interest on term loan, if any, are period costs
In totality, they will remain the same irrespective of the level of capacity
Even consumable stores and AMC / ARC shall not increase in the same proportion as the increase in capacity. So, gain can be suitably worked out, and if the management so decides, part of the gain can be passed on to the customer

- Whenever there is a change in the principal cost component, the system should provide a timely prompt to the marketing department to enable it to adjust the selling price accordingly.

Say, for example, the principal cost component is Raw Material RM1.
Now its new purchase order is placed at 10 % higher rate than the previous purchase order
Then the system should prompt this message to the marketing.
This will enable marketing to coordinate with purchase and adjust the selling price accordingly. This will ensure that the selling price set by marketing is not in isolation, without due regard to the principal cost component.

- 4Marketing should have access to inventory levels of finished products, which shall enable it to execute instant orders, if any. Sometimes, orders are received and executed over the phone. An instant decision is required. This is possible provided marketing has access to and knowledge of inventory levels.

- There should be a due analysis of credit notes.

This is also a source of feedback on customers' acceptance of products
Analysis should lead to action
For example, if an analysis of credit notes reveals that a new product has abnormal returns/rejections due to manufacturing defects, it is obvious that the product needs to be withdrawn from the market temporarily or suitably modified to safeguard the company's long-term interests.

- Confirmation of debt and reconciliation of accounts should form part of the routine

- Sometimes, even without actual delivery of goods, invoices are raised to reach sales targets in anticipation of completion of sales formalities at a later date. Such practices should be discouraged.

- Sometimes it may happen that from the same party raw material is purchased and the finished product is sold, and the sale amount is overdue. In such a situation, the purchase price should be offset against the sale price.

OBITUARY



CMA Brij Mohan Sharma (M/5022), Senior Member of the Institute, passed away on 16th October 2026.
We deeply mourn the loss of a respected member of the CMA fraternity and convey our heartfelt condolences to the bereaved family.
May the departed soul rest in eternal peace.



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Internal Audit and Risk Management:The Changing DNA of Corporate Control

Introduction

Control's, are undergoing a fundamental transformation. For decades, Internal Audit and Risk Management relied on periodic reviews, sample-based testing and retrospective assurance. Auditors focused on identifying what had gone wrong and recommending corrective action.

Today, Boards, Audit Committees and management teams expect far more. They seek proactive identification of emerging risks, real-time visibility into control effectiveness, early warning signals and actionable insights that support decision-making. This evolution is not merely a technology upgrade. It represents a fundamental change in the DNA of corporate control.

The integration of analytics, Process mining, Continuous Controls Monitoring (CCM), Control Self-Assessment (CSA), Artificial Intelligence (AI) and dynamic risk management frameworks is transforming Internal Audit from a backward-looking inspection mechanism into a strategic business enabler. The future of assurance lies in connecting risk, process, data, technology and governance into a single intelligent ecosystem.

1. Sampling to 100% Data: Paradigm Shift

One of the most important changes is the movement from sample-based auditing towards analysis of the complete population of transactions and events. Traditional audit techniques relied heavily on samples because testing every transaction was costly and time-consuming. Modern ERP systems, cloud platforms, data warehouses and analytics have changed that equation.

Where data is available and reliable, auditors can analyse 100% of purchase orders, invoices, journal entries, payments, vendor-master changes, inventory movements or user-access events. The objective is not simply to test more transactions. It is to identify patterns, exceptions, anomalies and relationships that a sample may never reveal.

For example, analytics can identify duplicate payments, split purchases, unusual timing, round-value transactions, dormant vendors becoming active, unusual approval patterns or transactions outside normal process behaviour.

However, 100% data does not mean 100% assurance. Poor-quality data can produce misleading conclusions, while poorly designed rules can generate false positives. Data completeness, reconciliation, governance and professional judgement therefore remain essential. Technology expands the auditor's field of vision; it does not replace the auditor's responsibility to interpret what is seen.

2. Process Mining: Understanding How the Process Really Works

Organisations often have a documented "ideal" process called the "Standard Path", but the actual process may behave very differently. Process mining uses digital event logs to reconstruct how transactions actually behaved through an end-to-end process. In fact a reputed organisation's actual data showed the different paths followed for a standard P2P process, it had 10X different routes adopted for payments compared to standard path. This would be a reality in most organisations to avoid any disruption. Systems should be enabler.

Process Mining can identify process variants, bottlenecks, rework, unnecessary approvals, deviations, segregation-of-duties concerns and instances where controls are bypassed. For Internal Audit, this changes the question from "What does the procedure say?" to "How does the process actually behave?"

The larger opportunity is to connect process mining with the Risk and Control Matrix (RACM). A process deviation identified through data can then be mapped to the relevant risk and control, creating a more dynamic assessment of control effectiveness.

3. Continuous Assurance: Moving from Periodic Testing to Real-Time Trust

Continuous Controls Monitoring (CCM) represents a major shift from point-in-time testing to continuous or high-frequency monitoring of selected controls and risk indicators.

Examples include monitoring payments above defined thresholds, pay terms, changes to bank details, PO data changes, unusual vendor creation, inactive vendors receiving transactions, manual journal entries near period-end, repeated overrides of approval limits, unusual inventory adjustments and access conflicts.

The value of CCM lies in early detection. An exception identified within days can be far more valuable than the same exception identified months later during quarterly / annual audit.

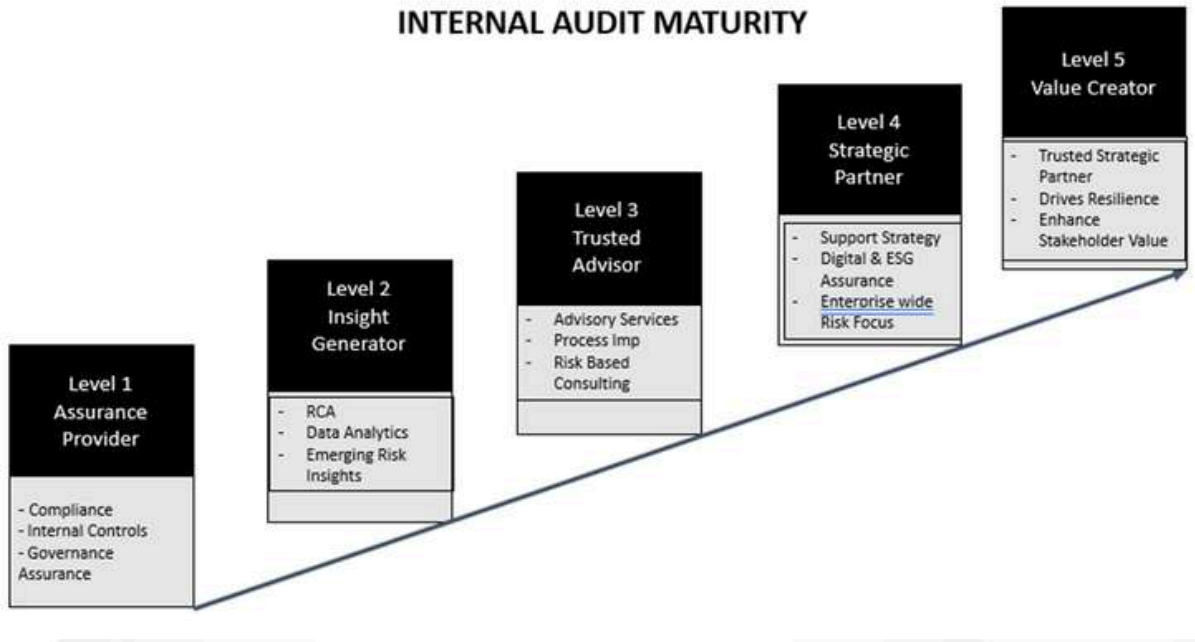
4. Control Self-Assessment: Making the First Line Accountable

A modern control environment cannot depend entirely on Internal Audit. Management must own risks and controls; the second line must provide oversight and challenge; and Internal Audit must provide independent assurance.

Control Self-Assessment (CSA) strengthens this model by making control owners active participants in evaluating their own control environment. Instead of waiting for auditors to discover every weakness, business teams periodically assess whether key controls exist, operate effectively and remain relevant.

Digital CSA can use structured questionnaires, risk dashboards, automated evidence requests, exception analytics and workflow-based certifications. The objective is not to be a tick-box exercise. A good CSA process encourages management to identify weaknesses before an audit does and creates clear accountability for remediation.

The combination of CSA, CCM and Internal Audit creates a powerful governance framework. While management assumes ownership of controls and remediation, Internal Audit provides independent assurance. Together, these elements strengthen accountability and improve organisational control maturity.



5. Analytics: Turning Audit Data into Risk Intelligence

Analytics is increasingly becoming the common language connecting Internal Audit, Risk Management and business performance.

Analytics today extends beyond reporting what happened to understanding why it happened and identifying potential future risks.

For example, instead of merely reporting that procurement exceptions have increased, analytics can identify potential categories, locations, suppliers, users, approval levels and process stages associated with the exceptions. Risk indicators can then be developed to identify similar behaviour in advance.

Well-designed dashboards is transforming Audit Committee reporting by presenting risk concentration, overdue actions, recurring findings, control exceptions, audit coverage and emerging themes in a concise visual format.

The real test, however, is not whether a dashboard looks impressive. It is whether analytics changes audit decisions, risk prioritisation, resource allocation or management action.

6. Reimagining Risk-Based Audit Planning :

Risk-Based Audit Planning (RBAP) remains the foundation of a credible Internal Audit function. However, the RBAP process itself must evolve.
A futuristic RBAP should integrate enterprise risks, strategic priorities, regulatory developments, process criticality, historical findings, control maturity, emerging technology risks, fraud indicators, CCM exceptions and management concerns.

Equally important is transparency. Stakeholders should understand why an area is included, why another area is deferred, what risk is being addressed and what assurance is expected. This makes audit coverage visibly linked to enterprise risk rather than auditor preference. A paradigm shift of Boards increasingly expect Internal Audit to focus on strategic and emerging risks (eg Cyber, Sustainability, Business Model disruptions, New Products, Geopolitical instability, Industry 5.O etc), while management remains accountable for transactional controls and mitigation plans.

The audit plan should also become dynamic. If risk indicators change materially during the year, audit coverage should be capable of changing with them. An annual audit plan should therefore be treated as a living risk framework, not simply a fixed calendar of assignments.

7. Digital Medium:

Control awareness can no longer depend only on policies, classroom training and lengthy audit reports. Employees operate in a digital environment, and control awareness should increasingly use the same environment.

Short videos, micro-learning modules, visual control guides, interactive dashboards, targeted alerts and real-life case studies can make risk awareness more relevant. Content can be tailored to specific roles—for example, procurement teams can receive focused messages on vendor fraud and conflicts of interest, while finance teams can receive guidance on journal controls and financial-close risks.

Digital communication creates an opportunity to build an “always-on” control culture. Instead of discussing controls only when an audit begins, organisations can reinforce risk awareness throughout the year.
Some organisations are increasingly linking audit observations and control compliance to performance management systems, further strengthening accountability.

8. Strategic Risk Management and Enterprise Risk Frameworks

The changing role of Internal Audit must be viewed within the broader enterprise risk framework. Strategic risks—such as business-model disruption, cyber threats, supply-chain instability, regulatory change, climate-related risks, technology dependence and geopolitical uncertainty—cannot be assessed through a purely transactional lens.

Internal Audit should understand how enterprise risks flow into business processes, key controls and management actions. Its role is not to own risk, but to independently assess whether the organisation's risk-management framework is designed appropriately and operating effectively.

A mature enterprise risk framework should connect strategic objectives, risk appetite, key risk indicators, controls, accountability and assurance. This creates a common risk language across the organisation and enables the Board and Audit Committee to see where significant risks are concentrated.

9. Artificial Intelligence and the Next Generation of Audit

Artificial Intelligence is likely to become a major enabler of the next generation of Internal Audit. AI can assist with document review, contract analysis, anomaly detection, risk sensing, thematic analysis, control mapping and summarisation of large datasets but in my personal view it can never ever replace our grey matter.

Generative AI can help auditors navigate large volumes of policies, regulations, process documents and prior findings. But AI also creates risks of its own—including model errors, bias, confidentiality concerns, data leakage, explainability issues and inappropriate reliance on machine-generated conclusions.
AI should therefore augment professional judgement, not replace it. The future auditor will need to understand business risk and controls as well as data lineage, algorithms, AI governance and technology-related risks.
"The future auditor will increasingly combine professional judgement with AI-enabled capabilities."

10. From Audit Findings to Root Cause and Value Creation

A mature Internal Audit function should focus on root causes and business impact, not merely on counting observations.
When the same issue recurs across plants, subsidiaries or business units, the real question is: What structural weakness is allowing it to persist—policy, systems, capability, governance or accountability? Recurring findings often reveal weaknesses in governance, process design, systems or accountability. Effective root-cause analysis remains essential for sustainable remediation and long-term value creation.
Technology can identify patterns across audits and connect individual findings into enterprise-level themes. This allows Internal Audit to move from finding reporting to risk intelligence.
The strongest recommendation is therefore not necessarily the one that closes an immediate exception. It is the one that addresses the systemic cause and reduces the probability of recurrence.

11. The Changing Role and Skills of the Internal Auditor

The changing control environment requires a different auditor. Future auditors must combine audit expertise with technology awareness, data analytics, business understanding and professional scepticism. Audit teams will increasingly become multidisciplinary, blending assurance, process and technology capabilities

12. The CMA's Role in Governance and Assurance

The changing landscape presents a powerful opportunity for CMAs to expand their role from cost and performance reporting to governance, assurance and strategic decision-making.
With their understanding of cost structures, profitability, working capital, operations and business economics, CMAs are uniquely positioned to connect strategy, risk, controls and performance. After all, risk often translates into financial consequences—margin erosion, inventory obsolescence, production disruptions, warranty costs, capacity underutilisation or inefficient capital allocation.

Consider an automotive OEM: a disruption at a critical supplier can halt production within hours. A CMA can go beyond quantifying the financial impact to assess supplier concentration, inventory strategy, sourcing controls and business continuity—turning financial insight into Board-level risk intelligence.
The same applies to VAVE, localisation, digitisation and cost optimisation, where efficiency must be balanced with resilience and risk.

By leveraging analytics, process mining, CCM, CSA and ERM, CMAs can evolve from reporting numbers to interpreting business signals and challenging risk—becoming trusted advisors to Boards, Audit Committees and executive leadership.
The CMA of the future is not merely a custodian of cost; it is a strategic contributor to governance, assurance, risk management and organisational resilience.

Conclusion: Rewriting the DNA of Corporate Control

As organisations continue their journey towards Industry 4.0 and digital transformation, risk management and corporate control can no longer remain retrospective functions. The ability to connect operational data, financial outcomes, strategic risks and governance oversight will increasingly determine organisational resilience and competitiveness.
The future of Internal Audit and Risk Management is about making them more intelligent, connected, predictive and value-driven.

The journey is evident:

- From sampling to data-driven assurance
- From periodic testing to continuous monitoring
- From documented processes to actual process behaviour
- From auditor-led assessment to shared accountability
- From historical reporting to predictive insights
- From static plans to dynamic risk-based assurance

The ultimate objective is stronger governance, better decision-making, enhanced resilience and sustainable value creation.

Internal Audit has a unique opportunity to become a strategic assurance function that not only looks backwards but helps organisations anticipate future challenges. Its DNA is changing from inspection to intelligence, from periodic assurance to continuous insight, and from reporting problems to enabling informed and risk-aware decision-making.

The organisations that will succeed are those that integrate risk, process, data, technology and governance into a connected control ecosystem. In that environment, Internal Audit remains independent, yet becomes significantly more valuable to Boards, management and stakeholders alike.



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Internal Audit & Risk Management : The Changing DNA of Corporate Control

A financial director of a mid-sized production company in Pune remarked, *"Internal auditing has always been the department we wish would not come knocking at our doors. It has now become the department I turn to before taking any major corporate decision".* This ground shift in attitude illustrates the evolution of corporate governance better than any legislation. Historically control meant rules, approvals and three signatures in a voucher, with auditors visiting only at the end of the year to see whether anyone obeyed the rules. It is helpful, but retrospective. Today supply chains crisscross the globe, data is stored in clouds, and one tweet can move a company's market value. Simultaneously, India has set a high bar for itself – Viksit Bharat @2047. Companies, aspiring to this goal, need a different kind of governance with a forward-looking approach.

WHY THIS MATTERS NOW? : VIKSIT BHARAT AND BRICS

According to the NITI Aayog concept paper, by the year 2047, the country of India should become advanced, while the economy has to become about $30 trillion in the size and the per capita income will be around $18,000. In order for the above-mentioned goal to be achieved, the country needs to have a sustained economic growth of 7-10%, which means that the size of the economy must grow from the current size of $3.36 trillion approximately 9 times.

In addition, the situation is changing on the international markets. India took part in BRICS in the year 2026 and conducted the 18th Summit on 12-13 September in New Delhi. Different projects such as BRICS MSME Portal and Incubator Network were mentioned during the presidency period. When Indian MSMEs will get engaged into trade, or borrow financial resources in these countries, the question on capabilities of the firm in terms of risk management will arise. According to the CMAs, it is an opportunity.

Data point (latest available)	What it tells us?
Banks and FIs reported 10,114 frauds worth ₹48,021 crore in F.Y. 2025-26, against 23,722 frauds worth ₹32,803 crore in F.Y. 2024-25 (RBI Annual Report 2025-26)	Fewer cases, but far larger value. Advances (loans) now dominate.
314 of these cases, worth ₹30,199 crore, belonged to earlier years and were re-reported after re-examination (RBI)	Detection lags badly; old risks surface late.
NITI Aayog's approach paper; US$30 trillion economy and about US$18,000 per capita by 2047, needing 7–10% sustained growth	Growth at this scale needs trusted capital and sound controls.
India chaired BRICS in 2026; 18th Summit, New Delhi, 12–13 September, 2026	Cross-border trust, MSME links and resilience are on the table.

1. STRATEGIC RISK MANAGEMENT : FROM DEFENCE TO DIRECTION

Initially, risk management was considered a reactive field involving measures such as insuring machinery, hedging against currency fluctuations, and controlling access to the equipment storage area. Present-day boards recognize that it is also crucial to evaluate risk exposure as certain risks can lead to deterioration of their processes, thus affecting firms' operations negatively. For example, a company introducing electric vehicle components faces multiple risks.

The statistics provided by RBI show that frauds in granting loans amounted to 8,640 instances worth ₹40,774 crore in F.Y. 2025-26. A substantial part of the value originates from previous years and contributes to the overall fraud value registered in 2022-23. Problems develop in a silent way, and strategic risk management allows recognizing them at earlier stages. IL&FS demonstrated the same thing in 2018 as companies can be identified as trouble-prone even without involvement in any fraud activity, and the case shows that good practices can have distinctive features.

- **A written risk appetite :** Clear limits on debt, single-customer exposure and geographic concentration, not just 'we are conservative'.
- **Scenario thinking :** What if crude doubles, or the rupee weakens beyond plan? Does the business still stand?
- **Early-warning indicators :** Receivable days, cancellations, key-person attrition and complaints, reviewed monthly.
- **Named ownership :** Every major risk has a person answerable for it, not only a committee.

The law now treats risk as a board subject. Under Regulation 21 of the SEBI LODR Regulations, the top 1,000 listed entities by market capitalisation must have a Risk Management Committee. Section 134(5)(e) of the Companies Act, 2013 requires directors of listed companies to confirm that internal financial controls are adequate and operating.

2. ENTERPRISE RISK FRAMEWORKS : GIVING STRUCTURE TO INSTINCT

Every skilled manager has an intuition concerning risk. However, since each manager has his or her own individual approach towards risk management. Therefore, we need to implement a framework that can help develop a common language in risk management. As a rule, COSO ERM and ISO 31000 are the most frequent references in this field. Thus, the risk management system of a family textile business in Surat would look quite different from the one developed by a pharmaceutical corporation in Hyderabad. The problem is that frameworks fail to work for human reasons. First, a register develops into a burden as it is prepared only once a year, and then it is ignored. Second, whenever everything is considered 'medium', nobody pays attention to anything. Third, people cannot overcome their inner barriers as a cyber incident also brings legal and cash consequences.

In India, the legal environment is very advanced. According to the provisions of the Companies Act, 2013, the statutory auditor should report to the members of the company and audit committee in accordance with the guidelines on internal financial controls, including the CARO notified in 2020. The audit committee should review the internal weaknesses in internal controls, all related party transactions and whistle-blowing mechanisms. According to the amendments in LODR made by SEBI in the years 2025 and early 2026, the thresholds of transactions with the related parties were also revised, along with the imposition of the requirement of secretarial audit in accordance with Reg. 24A and Reg. 62M for listed companies making high-value debt issue. The two new pressures must be integrated in any framework.

The Digital Personal Data Protection Act, 2023, has made data handling a risk that involves the board of directors due to its enactment in November, 2025. Under the FREE-AI framework issued by the Reserve Bank of India to regulated institutions, AI governance has to be approved by the board of directors, and the audit committee must oversee the risk involved. Concerning the bill outlining the amendments to the corporate law, the Corporate Laws (Amendment) Bill, 2026 was introduced in Lok Sabha on 23rd March, 2026 and was sent to a Joint Parliamentary Committee. It has not yet been passed according to the published articles, so technically it is not a law as yet. The act will provide the NFRA with corporate status and will require the NFRA Fund. Furthermore, every qualification or adverse opinion coming from an auditor will have to be duly explained to the board of directors. The cooling off periods for independent directors will also extend to group companies, while the majority of partners working in the audit firm will have to earn the needed qualifications.

3. INTERNAL AUDIT INNOVATIONS : SEEING MORE, SOONER

Once the norm was to sample 50 out of 50,000 invoices, which meant an auditor who found no discrepancy could only assume the other 49,950 invoices were clean. This is no longer the case as analytics is capable of examining an entire ERP in a matter of minutes, which allows emerging questions such as which vendors share a bank account with an employee, what payments were disbursed just below the limit of approval, which payments were posted at 2 A.M. on Sunday, and which input credits do not correspond to the documents submitted by the vendors.

- Continuous auditing : The key controls are tested during the year, so that a leak can be noticed in weeks rather than during the subsequent round of audits.
- Automation : Three-way matching and bank reconciliations are performed with the help of software instead of human beings allowing auditors to make relevant judgments
- AI and ML : The anomaly detection process, with the choice whether it is fraud or merely the seasonal increase remaining with the employee
- Agile audit : Giving short reports instead of lengthy 80-page documents
- Cyber and data privacy audits are now considered a separate type of audits.

The new global internal audit standards from the Institute of Internal Auditors introduced in January, 2025 but reinforces RBI's risk-based approach for banks and non-banking financial companies whereby audit should be carried out where the risk is the maximum rather than where testing is simpler. However, technology is not the main innovation; the more important change lies in the attitude of internal auditors.

They do not halt with the observation 'control has failed' but additionally analyze why; what does it cost; and what can be done about it. Audit teams referred to as police units receive filtered information and those regarded as trusted advisors receive the truth at the beginning. Companies (Accounts) Rules of 2014 as per Section 138 and Rule 13 make it compulsory for the internal audit to be conducted for every listed company as well as unlisted companies that have paid-up capital, turnover, loans or deposits that exceed specified levels. The law provides for the existence of internal audit. Whether it has any significance depends on whether it is heard by the management.

4. CMA'S ROLE IN GOVERNANCE & ASSURANCE

A Cost and Management Accountant's training is based on determining the true profitability of an enterprise, in order to find out what product is able to pay for itself, what stream of business is losing money, what overheads have gone unnoticed. Unless such knowledge is acquired, risk assessment is impossible, as most cases of failure in operations take place long before they are transferred to the balance sheet. The law acknowledges that too. According to section 138, cost accountant is considered as an internal auditor and cost audit occupies a separate section according to section 148.

- Cost and process comprehension : Identifying potential control weaknesses that process inefficiency leads to, including unconfirmed wastage processes or mispriced inventory.
- Business-wide approach : Combining procurement, production, transportation, and finance within the risk environment.
- Practical assurance : Suggestions with tangible factors of cost and gain management can successfully put into practice.
- Support for the audit committee : Converting operational realizations into risks, probabilities, and priorities.
- MSME outreach : Millions of small businesses that represent both BRICS and Viksit Bharat have never implemented any particular risk model.

Governance has a dimension of responsibility. It's about being able to speak up about unpleasant truths in circles that prefer silence. Continuing education is also important for CMAs. This means mastering basics of analytics, cyber and data privacy, understanding of ESG reporting, forensic methods and AI fundamentals through Institute courses and local chapters.

CONCLUSION

Corporate governance has changed from being strict to being responsive, periodic to continuous, and regulatory to risk-oriented. A country that aims for US$ 30 trillion GDP by 2047 and wants to play a major role in the BRICS countries cannot afford to use control systems capable of detecting problems only after a considerable delay, as evidenced by the data from the Reserve Bank of India (RBI). Companies that can respond to the requests of investors, creditors, and partners with the help of actual evidence will win their compliance and, thus gain access to cheaper capital. This reflects the challenge put forward to Capital Market Authorities (CMA). We know about costs, controls, and the nature behind numbers. We also need to be open-minded for using new tools and brave enough for speaking up about it. In the end, it is not the system of controls that protects a company; it is people who do care about it.

SOURCES

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4. PIB and MEA material on India's BRICS 2026 chairship ; Companies Act, 2013 and Companies (Accounts) Rules, 2014
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Celebrating Navratri – A Special Series of Empowering Sessions

On the auspicious occasion of Navratri, the Professional Development Committee, jointly with the Taskforce for Women's Empowerment of ICMAI–WIRC, organised a special series of empowering sessions through MS Teams from 11th to 19th October 2026.

The initiative aimed to celebrate the spirit of Navratri by promoting women's empowerment, professional growth, and personal development through insightful and inspiring sessions.

Day	Core Pillar	Session Topic	Speaker
11th October	**Digital Transformation**	AI & Cloud Automation for	CMA Manali Goyal
12th October	**Mental Wellness**	Psychological Resilience &	Urvashi Yashroy
13th October	**Financial Empowerment**	Wealth Architecture & Strategic Estate	CMA Sonal Luthra
14th October	**Tax Decoded**	Income Tax and GST	CMA Ritu Choudhary
15th October	**Professional Upliftment**	Boardroom Executive Presence	CMA Anuradha Dhavalikar
16th October	**Work-Life Integration**	Organizational Boundaries &	CMA Dr. Geeta Sharma
17th october	**Upskilling & Education**	Strategic Career Upskilling & Global	CMA Dr. Meghna Chotaliya
18th October	**Health & Vitality**	Executive Health & Burnout Mitigation	CMA SantoshI Dalvi
19th October	**Global Networking**	Strategic Networking &	CMA Harjeet Joshi



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Artificial Intelligence in Valuation
A Practical Guide for Registered Valuers

Artificial intelligence is becoming a useful support tool across finance, accounting and valuation. It can help professionals organise information, explore data, test analytical questions and prepare clearer documentation. Its usefulness, however, depends on disciplined application. A valuation is not merely a calculation: it is a reasoned professional conclusion based on evidence, assumptions, methodology and judgment.

Section 247 of the Companies Act, 2013 provides for valuation by a Registered Valuer in circumstances covered by the Act. Assignments may involve different asset classes, including Securities or Financial Assets (SFA), Land and Building (L&B), and Plant and Machinery (P&M). In this setting, AI should be treated as an aid to the valuer—not a substitute for professional competence or accountability.

1. Understanding the Valuation Process

A sound valuation begins with a clear understanding of the assignment. The valuer must establish why the valuation is required, the premise and standard of value, the information available and the approach suitable for the subject asset or business.

Purpose of valuation → Premise of value → Standard of value → Information gathering and analysis → Selection of approach → Valuation conclusion

AI can help organise documents, summarise information and identify questions for further investigation. It cannot independently establish whether information is reliable or whether a particular approach is appropriate. Those decisions remain the valuer's responsibility.

2. Understanding the Business and Industry

Before selecting assumptions or building a model, the valuer needs to understand how the subject business operates and what drives its performance. Annual reports, management discussion and analysis, industry publications, regulatory material and other records can be lengthy. AI tools can condense these materials and explain a business model in accessible language.

·Prepare a concise company overview from annual reports.
·Explain how a business earns revenue and incurs its principal costs.
·List possible industry, operating and commercial risks for further investigation.

For example, a valuer examining a pharmaceutical distributor might ask an AI assistant to outline revenue drivers, major cost categories, working-capital requirements and principal industry risks. The response can be used as a research checklist, but not as verified due diligence.

General-purpose AI assistants may help explain complex material, while research-oriented tools can help locate sources. The valuer should inspect the underlying sources instead of relying solely on an AI-generated summary.

3. AI-Assisted Market Research

Market research places the subject business in context. Depending on the assignment, it may cover market size, historical growth, demand drivers, competition, industry constraints, opportunities and threats. AI can help organise these questions and prepare an initial SWOT framework.

A prompt about the main strengths and risks of India's real-estate industry, for example, may produce a preliminary list covering demand, financing conditions, competition and regulation. That list should guide further investigation rather than substitute for it.

Every market statistic or forecast proposed for a valuation report should be traced to a dependable source and checked for date, scope, methodology and relevance. Suitable sources may include official publications, company filings, industry associations and recognised research providers. Record the source and access date.

4. AI-Assisted Financial Analysis

AI can support the review of historical financial statements by helping calculate or interpret ratios, identify trends and raise questions about unusual movements. Areas of analysis may include liquidity, profitability, leverage, revenue growth, operating margins and cash-flow performance.

If an EBITDA margin rises over several years, an AI assistant may suggest possible explanations such as improved pricing, a change in product mix or tighter cost control. These are hypotheses, not established findings, until checked against financial statements, notes to accounts, management explanations and other evidence.

Spreadsheet tools can support calculations and modelling, while analytical assistants can help explain patterns and prepare summaries. Verify formulas, inputs, classifications and interpretations against the underlying records.

5. Forecasting: Structure the Model, Do Not Outsource Judgment

Forecasting is especially sensitive because it depends on assumptions about future conditions. AI can help identify potential drivers, organise a forecasting framework and list variables for sensitivity analysis. Depending on the business, these may include capacity, volume, pricing, product mix, demand, input costs and working-capital requirements.

1. Use AI to list relevant forecast drivers and questions.
2. Build a transparent model showing the relationships between key drivers.
3. Set assumptions using verified information, management discussions, industry knowledge and independent analysis.
4. Test how changes in important assumptions affect the valuation outcome.

AI-generated figures should not be adopted merely because they appear plausible. Forecasts need an evidential basis and should be consistent with historical performance, available capacity, market conditions and the assignment's purpose. AI may help structure the framework; the valuer must determine which assumptions are supportable.

6. AI in Risk Analysis

Risk assessment considers factors that may affect the subject's performance or the reliability of the valuation. AI can help develop an initial checklist covering:

- Market risks: changes in demand, competition and pricing.
- Operational risks: supply-chain dependencies and execution challenges.
- Financial risks: leverage, liquidity and cash-flow pressure.
- Legal and regulatory risks: changes in applicable requirements.

AI may also explain how changes in assumptions—such as the weighted average cost of capital (WACC)—can affect a valuation. Sensitivity calculations should be performed and checked in a suitable model. The valuer must assess which risks matter, how significant they are and whether they are reflected appropriately in assumptions or disclosures.

7. AI in Valuation Report Writing

Once the technical work is complete, the valuer must communicate the analysis clearly and consistently. AI can assist with editing, grammar, readability, converting working notes into structured prose and refining explanations of methodology or assumptions.

A sensible approach is to prepare the technical analysis first and then use AI to improve the wording without changing the substance. Compare the revised text with the working papers to ensure that no unsupported facts have been introduced, qualifications altered or conclusions overstated.

AI should improve the communication of the work, not invent the work itself. Confidential client information should only be entered into AI systems when confidentiality, data-protection and organisational requirements permit it.

8. Professional Standards, Ethics and Accountability

Professional responsibility is central to AI use in valuation. Applicable legislation, valuation standards, professional requirements and engagement terms should guide the assignment. Requirements vary with the nature of the valuation and the framework under which it is performed, so references to standards should be checked against the version applicable to the assignment.

AI may help structure information, explain technical concepts, improve report language, develop analytical frameworks and draft descriptions of assumptions and risks. However, the following should never be accepted without independent professional review:

- Final valuation figures or model outputs.
- Discount rates and other material assumptions.
- Forecasts and market estimates.
- Risk assessments and conclusions about the suitability of a valuation approach.

The professional who signs a valuation report remains responsible for its contents, including work prepared with technological assistance. The valuer should be able to explain the evidence, methodology, calculations and reasoning supporting the conclusion.

9. Selecting an AI Toolkit

No single tool is best for every stage of an assignment. Selection should reflect the task, source traceability, data sensitivity, accuracy requirements and the professional's ability to verify outputs.

Valuation activity	Potential tool category	Possible use
Industry research	Source-oriented research tools	Locate publications and trace claims to sources
Business understanding	General-purpose AI assistants	Summarise documents and explain business models
Risk analysis	AI assistant plus professional review	Develop checklists and draft explanations
Financial modelling	Spreadsheet software and approved assistants	Build models, check formulas and analyse scenarios
Forecasting	Spreadsheet model with AI-supported planning	Structure drivers and sensitivity cases
Data visualisation	Business intelligence tools	Present trends and relationships
Report writing	Writing and grammar tools	Improve clarity, structure and consistency

Tool names and capabilities change over time. Before adopting a product, assess its current features, data-handling terms, source transparency and suitability for the intended use.

10. A Practical AI-Enabled Valuation Workflow

- Define the assignment: establish the purpose, premise and standard of value.
- Understand the subject: review the business, asset and relevant documents.
- Research the market: gather reliable information and verify important claims.
- Analyse historical performance: validate financial data, ratios and trends.
- Build forecasts: develop supportable assumptions and test alternative scenarios.
- Select the approach: determine the appropriate methodology through professional judgment.
- Assess risk and sensitivity: quantify the effect of key variables and explain material risks.
- Prepare the report: use AI, where appropriate, to improve structure and clarity.
- Verify the work: check sources, inputs, calculations, assumptions and conclusions.
- Conclude independently: document the reasoning and retain responsibility for the final opinion.

11. The Golden Rule: AI Assists, the Valuer Decides

Responsible use of AI in valuation can be guided by four principles:

- Choose the tool for the task: research, modelling, analysis and writing may require different tools.
- Verify outputs: trace material facts and figures to reliable evidence.
- Exercise independent judgment: evaluate assumptions, methods and risks rather than automatically accepting suggestions.
- Remain accountable: ensure the final report accurately reflects the valuer's reasoned conclusion.

Industry surveys may provide evidence of AI adoption and productivity effects. Numerical claims, including adoption rates or productivity improvements, should be included only after checking the original publication, date, sample and exact wording.

Conclusion

AI can help valuation professionals work more efficiently by accelerating document review, organising market research, supporting financial analysis, structuring forecasts, exploring risks and improving report presentation. These benefits are strongest when AI is used within a disciplined process and its outputs are verified.

Valuation nevertheless requires more than processing information. The professional must assess the quality of evidence, challenge assumptions, choose a suitable methodology, interpret uncertainty and explain the basis of the conclusion.



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Corporate Demerger

Demerger a word itself means creating separate identity. It is a corporate restructuring process where a company splits its business or divisions into and independent legal entity.
The original company is called as demerged company and the new separated company is the resulting company formed after demerger.

Structure:

Proportionate Share Holding : Existing shareholders of the original company i.e a parent company typically receive shares in the new company proportional to their holding in the parent company.
Separate Operations: Both the company runs a business with separate management, governance and different market valuations.

Benefits of Demerger:

- **Pure-Play Investments:** Due to separate operations. The company becomes a sperate entity and hence, Investors can choose to invest specifically in one business model without being forced to hold the other.
- **Management efficiency:** In such cases Management can focus on High-growth operations. As the management is totally different of parent company and a demerged company.
- **Capital Allocation:** Each company can raise capital, issue debt, and reinvest profits basedon its own operational needs. Streamlines risk profiles, liabilities, and specialized capital allocation.

Legal and Regulatory Process:

In India according to Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, legal and regulatory process for a corporate demerger is governed primarily by Sections 230–232.

Step by Step Process:

1. **D**rafting a detailed scheme of demerger i.e identification of exact operations/ business to be demerged from the parent company. Fixing the share exchange ratio with the help of independent registered valuer. And pass the board resolutions approving the demerger in both participating entities.

2. For demerger NCLT (National Company Law Tribunal) sanction is mandatory. Therefore, approaching NCLT and submitting proper application as per prescribed process is to be filed. Conduct meetings of shareholders and creditors as directed or dispensed by the NCLT.

3. Obtain No-Objection Certificates (NOCs) from SEBI/Stock Exchanges (for listed entities) or sectoral watchdogs like CCI. File the final petition with the NCLT after serving notices to statutory authorities i.e. ROC, Regional Director.

4. File Form INC-28 along with the certified copy of the NCLT order with the Registrar of Companies (ROC). The date of filing with the ROC marks the effective date transferring assets and liabilities to the resulting company.

Essential Legal & Tax Checkpoints:

Requirement	Description
Tax Neutrality *(Sec 2(19AA))*	To avoid capital gains tax, the demerger must transfer the unit as a "going concern". All assets and liabilities must move at book value (ignoring revaluation), and at least 3/4th in value of shareholders must remain.
Stamp Duty	Transferring immovable property or assets via an NCLT order attracts stamp duty, which varies significantly depending on the State where the properties/registered offices are located.
GST Implications	Transfer of a business unit as a going concern is generally exempt from GST. Unutilized Input Tax Credit (ITC) can be transferred proportionately via Form ITC-02.

Common Types of Demergers

- **Spin-Off:** The parent company creates a new independent company and distributes its shares to existing shareholders.
- **Split-Off:** Shareholders can choose to exchange their parent company stock for shares in the new company.
- **Split-Up:** The original parent company dissolves completely, and two or more new companies take its place.
- **Equity Carve-Out:** The parent company sells a minority stake of a subsidiary to the public through an Initial Public Offering (IPO)

Recent Major Demergers in India :

1.Tata Motors Ltd: Restructured by separating its commercial vehicle business from its passenger and electric vehicle divisions to cater to independent growth strategies.

2.Vedanta Limited: Undertook a major multi-entity split to divide the conglomerate into distinct listed entities focusing on Aluminum, Power, Iron & Steel, and Oil & Gas.

3.ITC Limited: Successfully separated and carved out ITC Hotels into a completely separate listed company, allowing investors to value the hospitality wing independently.

4.Hindustan Unilever (HUL): Demerged its ice cream unit (Kwality Wall's) to streamline its core fast-moving consumer goods (FMCG) portfolio.

Conclusion:

Ultimately, a demerger is a powerful corporate restructuring tool used not because a business is failing, but because separating its parts can drive sharper corporate focus and create greater long-term value for shareholders.



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Strategic Risk Management

Introduction

Every organisation makes plans based on expectations about the future. It may expect customers to keep buying, suppliers to deliver on time, technology to perform as intended and funding to remain available. When these expectations change, even a well-designed plan can become difficult to achieve.

Strategic risk management helps an organisation identify uncertainties that could affect its long-term direction and decide how to respond. It is not limited to preventing losses or meeting compliance requirements. It also asks whether the organisation's objectives, assumptions and choices remain suitable as its circumstances evolve.

Risks may arise within the organisation or beyond its control. A leadership decision, an outdated business model or insufficient staff capability may create internal exposure. Economic shifts, regulatory change, technological disruption, climate-related events and changing customer preferences can create external pressures. These factors may reinforce one another: disruption to a supplier, for example, could increase costs, delay customer orders and weaken cash flow at the same time.

Risk is meaningful only in relation to an objective. The same development may threaten one organisation while presenting an opportunity to another. Strategic risk management therefore helps leaders consider both what could go wrong and what the organisation might fail to gain.

Understanding Strategic Risk

Strategic risk is the possibility that a choice, assumption or changing condition will prevent an organisation from achieving its important goals. It can arise from taking an unsuitable action, failing to act when circumstances change, or carrying out a reasonable plan poorly.

Common examples include:

- Expanding into a market the organisation does not understand.
- Depending heavily on a single customer, supplier, technology or source of finance.
- Acquiring another business without adequate due diligence or integration planning.
- Investing in technology without addressing privacy, security or skills requirements.
- Taking on fixed costs that the organisation may struggle to support during a downturn.
- Missing an opportunity because management is slow to respond to changing customer needs.

For practical analysis, strategic exposures can be considered in several broad groups:

- External pressures: Changes in economic conditions, politics, society, technology, the environment or regulation.
- Internal weaknesses: Gaps in governance, leadership, skills, controls or organisational culture.
- Delivery challenges: Problems that prevent a chosen strategy from being implemented effectively.
- Emerging uncertainties: Developments that are difficult to predict because relevant experience or data is limited.
- Missed opportunities: The potential loss of value when an organisation fails to respond to a favourable development.

These groups often overlap. A new regulatory requirement may begin as an external change, reveal internal data weaknesses and ultimately delay a planned product launch.

Why Strategic Risk Requires Attention

Organisations operate in a setting where economic, political, technological and environmental developments can change rapidly. The World Economic Forum's Global Risks Report 2026 identifies geoeconomic confrontation as the leading short-term global risk and also highlights concerns including interstate conflict, extreme weather, societal polarisation and misinformation and disinformation. These issues may affect businesses through supply-chain interruptions, trade barriers, cost increases, operational disruption and changes in stakeholder expectations.

Digital change also calls for strategic judgement. Artificial intelligence, automation and cloud-based services can support innovation and efficiency, but their use may create exposure involving sensitive information, cyber security, intellectual property, inaccurate outputs and dependence on a small number of technology providers. Organisations should consider these matters when deciding whether and how to adopt new systems.

Climate and sustainability considerations may influence the resilience and competitiveness of a business. Physical events such as flooding, extreme heat or water scarcity can affect facilities and suppliers. Changes in regulation, technology, financing conditions and customer preferences may alter the long-term value of products, assets or business models. For Indian listed entities, SEBI's March 2025 circular addressed measures concerning ESG assurance or assessment, value-chain disclosures and voluntary green-credit disclosures. Organisations should check the applicable requirements when planning reporting and compliance.

Strategic choices are also shaped by human behaviour. Decision-makers may be influenced by confidence, ambition, social pressure or attachment to a project. A plan can continue to receive funding not because its prospects remain strong, but because leaders have invested their reputations or resources in it. Recognising these influences is part of sound risk management.

Building a Strategic Risk Process

Risk management is most useful when it informs decisions before they are made and continues after implementation. A practical process can follow the steps below.

1. Define objectives and assumptions

The organization should first be clear about the outcomes it wants to achieve. It should then identify the assumptions that support its strategy.

A plan to grow, for example, may rely on steady demand, access to working capital, dependable suppliers and the availability of skilled employees. Writing down these assumptions makes it easier to examine whether they remain credible.

2. Identify possible threats and opportunities

Risk identification should involve people who understand different parts of the organisation. The board and senior leaders may provide a strategic view, while finance, operations, technology, compliance, human resources and customer-facing teams can identify specific vulnerabilities.

Methods may include market and regulatory scanning, competitor reviews, interviews with stakeholders, value-chain analysis, scenario planning and a review of previous incidents. The organisation should consider not only direct effects but also consequences that may follow. A change in data requirements, for example, could affect systems, product development, customer confidence and the cost of serving a market.

3. Assess what matters most

Organisations often assess risk by considering the likelihood of an event and the scale of its consequences. This can help structure discussion, but a single score should not determine priorities.

Leaders should also consider how quickly a risk could emerge, how long its effects might last, whether it could combine with other exposures and how difficult recovery would be. An event that is unlikely but potentially severe may deserve attention if the organisation has limited capacity to withstand it.

4. Set boundaries for risk-taking

Risk appetite expresses the kinds and levels of exposure an organisation is prepared to accept while pursuing its objectives. More specific limits can help translate that position into action.

For example, an organisation may be prepared to take a commercial risk on a new product but have little tolerance for serious regulatory breaches, major data losses or an inability to meet its financial obligations. These boundaries should guide decisions about investment, growth and operations rather than remain only in policy documents.

5. Decide how to respond

The appropriate response depends on the nature of the exposure and the organisation's objectives. It may choose to:

- Avoid an activity that presents unacceptable exposure.
- Reduce exposure through controls, training, diversification or improved processes.
- Share exposure through insurance, contracts, partnerships or outsourcing.
- Accept exposure when the expected benefits justify retaining it.
- Pursue an opportunity where increased investment or commitment is warranted.
- Prepare for disruption through reserves, continuity arrangements or recovery plans.

A company entering a new market, for instance, might accept uncertainty about customer demand while using multiple suppliers, limiting its initial investment and establishing a review point before further expansion.

6. Monitor changes and report clearly

A strategic risk process must be reviewed as conditions change. Organisations can monitor indicators relevant to their plans, such as customer concentration, cash-flow pressure, supplier dependence, staff turnover, cyber incidents, customer complaints, product failures and changing market share.

Risk reporting should explain what has changed, what may be causing it, who is responsible for responding and what decision or trigger point is required. Reports are most helpful when they are timely and clearly linked to action.

Governance and Organisational Culture

The board should oversee whether the organisation's strategy is consistent with its resources and capacity to absorb loss. It can do this by questioning the assumptions behind major proposals, reviewing significant exposures, approving risk boundaries and examining the organisation's readiness to respond to disruption.

Senior management is responsible for making risk considerations part of planning, budgeting, investment and performance discussions. Business leaders should own the risks arising from their activities. A risk team can provide coordination and specialist guidance, while internal audit can independently assess whether governance, controls and risk processes are working as intended.

Formal policies alone do not create an effective risk culture. People must be able to raise concerns, disclose mistakes and question decisions without unreasonable fear of blame. Pressure to meet unrealistic targets, excessive hierarchy or incentives focused only on short-term results may discourage employees from sharing information that leaders need to hear.

Organisations can improve decision quality by asking questions that challenge assumptions:

- What information would cause us to revise or stop this plan?
- Are we relying on evidence, or mainly on confidence in the proposal?
- Could personal incentives or reputational concerns be influencing the decision?
- What other uses of the money, time or staff resources are being set aside?

Such questions can help leaders detect when commitment has become difficult to distinguish from attachment.

Behavioural Factors in Organisational Decisions

Household spending decisions are often affected by feelings, aspirations, family expectations and social comparison, not simply by income or affordability. Similar influences can appear in organisations, although they take different forms.

Attachment to a project

A project may be viewed as a symbol of leadership ambition or organisational prestige. Once substantial resources have been invested, decision-makers may find it difficult to accept evidence that the expected benefits are unlikely to materialise. Setting review criteria before a project begins can make it easier to change course when warranted.

Growth in recurring costs

Periods of higher revenue may encourage an organisation to take on permanent expenses, including larger premises, expanded benefits, more subscriptions or additional administrative capacity. These commitments can become difficult to sustain if revenue later falls. Management should test recurring costs under less favourable conditions and distinguish essential spending from spending that can be deferred.

Competing stakeholder expectations

Organisations answer to many groups, including employees, customers, investors, lenders, suppliers, regulators and local communities. Their priorities may conflict. Investors may focus on returns, employees on compensation and security, customers on value, and communities on environmental or social impacts. Making these expectations visible can help leaders understand where decisions may create tension or exposure.

Opportunity cost

Every major commitment limits the resources available for other purposes. Before approving an investment, management should consider whether it will reduce financial flexibility, postpone another important project, create future recurring costs or prove difficult to reverse. The expected return should be considered alongside the resources and choices the organisation gives up.

Illustrative Application

Imagine a rapidly expanding Indian technology-services company considering a new office, broader employee benefits, an acquisition, generative AI tools, overseas expansion and more extensive sustainability disclosures. Each initiative may contribute to growth, but each also requires money, management attention and appropriate controls.

Proposed initiative	Possible contribution	Issue to assess
New office space	Improved facilities and a stronger employer image	Whether the higher fixed cost remains affordable if demand falls
Enhanced benefits	Better recruitment and employee retention	Whether recurring commitments are supported by sustainable revenue
Acquisition	Access to new skills, customers or services	Whether the price, integration plan and expected synergies are realistic
AI tools	Potential improvements in productivity and service delivery	How information, outputs and provider dependence will be governed
Overseas expansion	Access to additional markets	Whether the company understands local requirements and exposure
Expanded sustainability disclosures	Better transparency for stakeholders	Whether reported information is complete, reliable and appropriately supported

The company could examine how its plans would perform if sales fell by 20%, payments from customers were delayed, financing became more expensive, the acquisition missed its integration targets or a cyber incident interrupted operations. It could also establish review points—for example, reconsidering expansion if revenue falls below a defined level or if acquisition milestones are repeatedly missed.

This type of analysis does not require the company to abandon growth. It helps leaders decide how much to commit, what safeguards to establish and when the plan should be reconsidered.

Strategic Risk Management in MSMEs

Smaller enterprises may have fewer reserves and less capacity to recover from a major disruption. Some depend heavily on one customer, one supplier, a small leadership team or external finance. These conditions make regular risk reviews particularly useful.

An MSME can conduct a simple quarterly review covering liquidity, important customer and supplier relationships, regulatory deadlines, cyber security, employee dependency, insurance, succession arrangements and financing options. The business should also assess whether growth is strengthening resilience or increasing dependence on debt, fixed costs or a narrow customer base.The aim is not to create a large administrative system. It is to identify vulnerabilities early enough for the owner or management team to take practical action.

Practical Priorities

Organisations can make their approach more effective by taking the following steps:

1. Discuss risk when setting strategy and approving budgets or investments.
2. Record the assumptions that underpin major decisions.
3. Define risk boundaries that can be applied to real proposals.
4. Test plans against adverse but plausible conditions.
5. Challenge overconfidence, confirmation bias and attachment to existing projects.
6. Assign responsibility for important risks and define review triggers.
7. Protect financial and operational flexibility where uncertainty is significant.
8. Include data, cyber security and supplier dependence in strategic planning.
9. Consider sustainability exposures when allocating capital and assessing performance.
10. Encourage employees to raise concerns early.
11. Compare actual outcomes with the assumptions made when decisions were approved.
12. Adapt the process to the organisation's size, activities and resources.

Conclusion

Strategic risk management gives organisations a disciplined way to make choices when outcomes are uncertain. It helps leaders examine the assumptions behind a strategy, understand the consequences of competing options and prepare for changes that could affect long-term objectives.

Organisational decisions, like personal financial choices, can be influenced by more than objective calculations. Ambition, reputation, stakeholder pressure and emotional attachment can all shape how resources are committed. By challenging assumptions, weighing opportunity costs, monitoring relevant indicators and setting clear boundaries for risk-taking, organisations can pursue growth while remaining prepared to adapt.

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India's FDI Story: From Pandemic Resilience to a Trillion-Dollar Investment Hub

Abstract:

Ever since 2020, the COVID-19 pandemic has unsettled economies across the globe and cut deeply into worldwide flows of foreign direct investment (FDI). India, however, which ranks among the fastest-growing large economies, kept drawing record levels of FDI throughout the pandemic years and has since passed the cumulative trillion-dollar mark. This article follows the course of FDI inflows into India from 2000-01 to 2024-25. It explains the regulatory framework that governs foreign investment, including the permitted and prohibited sectors and the automatic, government and hybrid entry routes, and it examines the main source countries, the sectors that gained the most and the states that received the most in the latest financial year. India's record is placed against a shrinking global FDI pool, as reported in UNCTAD's World Investment Report, and the article also brings out the growing strategic part played by professionals in FEMA and Companies Act compliance, which is vital for keeping India's reputation as an investment-friendly destination intact.

Introduction:

Until the end of the 1980s, India, one of the fastest-growing large economies in the world, took a very careful and protectionist line on foreign trade and on letting foreign players in. The period was shaped by import substitution and export promotion, and under the so-called “License Raj” the government's permission was needed for almost every business decision, whether it was expanding capacity or carrying out a merger. The system did give India's micro, small and medium enterprises some cover from multinational competition, but it also left the economy short of capital and technology. Things changed from mid-1991. With a severe foreign-exchange crisis on its hands, the Government of India (GOI) opened up trade and investment policy and started to actively welcome foreign players. This marked the start of the Liberalisation, Privatisation and Globalisation (LPG) era, a policy turn that, interestingly, came several years before the World Trade Organization's mandates of the mid-1990s.

Some thirty years later, the COVID-19 pandemic put this open-economy model to the test. The World Health Organization declared COVID-19 a public health emergency on 30 January 2020 and a pandemic on 11 March 2020. India responded with a nationwide lockdown beginning 25 March 2020. Growth in the first quarter of 2020-21 plunged to a historic low of 23.9%, and major sectors such as construction, manufacturing and hospitality shrank sharply. Worldwide, FDI flows dropped by about a third in 2020 alone. Against this background, India's ability to not only hold up but actually increase its FDI receipts in the pandemic year 2020-21,tells a striking and instructive story about policy resilience, market depth and investor confidence.

Foreign Investment and FDI Routes

Under India's foreign exchange and company law framework, "*Foreign investment*" means any investment by a person resident outside India in the capital instruments of an Indian company, or in the capital of a Limited Liability Partnership, where the proceeds can be repatriated. Such a person can hold the investment either as Foreign Portfolio Investment (FPI) or as FDI. FPI is an investment of less than 10% of the post-issue, fully-diluted paid-up capital of a listed Indian company, made by an investor registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019. FDI, on the other hand, is any investment in an unlisted company, or an investment of 10% or more of the paid-up equity capital of a listed company on a fully diluted basis. In other words, it is an investment meant to build a lasting interest in an Indian enterprise along with some degree of control over it. If an existing FDI holding later slips below the 10% threshold, it still counts as FDI (Department for Promotion of Industry and Internal Trade [DPIIT], 2020).

Foreign investment enters India through three broad routes. (i) Under the Automatic Route, the investor needs no prior approval from the Reserve Bank of India (RBI) or the GoI, and the investment only has to be reported once it has been made. (ii) Under the Government Route, prior approval is compulsory, though the process is intentionally kept simple, the investor files an application on the Foreign Investment Facilitation Portal (FIFP), the portal sends it to the relevant administrative ministry, and the ministry's decision is then passed back to the applicant. (ii) The third route is a hybrid of the two, the Automatic-plus-Government Route, which applies in sectors where FDI up to a stated ceiling is automatic but anything above that ceiling needs government approval. The highest foreign shareholding allowed, and the route through which it can be reached, varies from one sector to another and is revised from time to time through DPIIT's Consolidated FDI Policy and later press notes.

Prohibited and Permitted Sectors

FDI is not allowed in a small group of sectors. These are lottery and gambling businesses, including casinos, chit funds, nidhi companies, trading in transferable development rights, real-estate business or construction of farmhouses (as opposed to townships and commercial development), the manufacture of tobacco products, and activities kept exclusively for the public sector, such as atomic energy and railway operations. Foreign technology collaboration, which includes licensing of trademarks or brand names, is likewise barred for lottery and gambling activities.

Beyond this short negative list, FDI is allowed, subject to sector-specific caps and, in some cases, government approval. This covers agriculture and plantations, mining and petroleum, manufacturing and defense production, and a broad range of services such as broadcasting, civil aviation, construction development, telecom, insurance, pension, asset reconstruction and pharmaceuticals. The caps differ considerably. Floriculture and mushroom cultivation, for example, allow 100% FDI through the automatic route, whereas up-linking of news and current-affairs television channels is capped at 49% and needs government approval, and digital media streaming of news content is capped at 26% (DPIIT, 2020).

FDI Inflows into India: A Trend

India's total annual FDI inflow comprising equity capital, reinvested earnings, and other capital has grown roughly twenty-fold over the last two decades, from about 4 billion (US Dollar) in 2000-01 to a provisional 81.04 billion (US Dollar) in financial year 2024-25, a 14% rise over financial year 2023-24 (Press Information Bureau [PIB], 2025a). The table-1 below traces the more recent leg of this journey, from the pre-COVID year 2018-19 through the latest provisional figures.

TABLE-1: FDI INFLOWS

Financial Year	Total FDI Inflow (US$ billion)	Growth over previous year
2018-19	61.94	1.7%
2019-20	74.39	20.0%
2020-21 (COVID year)	81.72	9.9%
2021-22	84.84	3.8%
2022-23	71.36	− 15.9%
2023-24	71.28	− 0.1%
2024-25 (Provisional)	81.04	+14.0%
2025-26 (Apr–Jun, provisional)	26.61	+17% y-o-y

Two things stand out. (1), the COVID-affected year 2020-21 was, at the time, India's best-ever year for FDI, and the momentum carried through into an even stronger 2021-22 (84.84 billion US Dollar), which DPIIT described as the highest annual inflow India had then recorded (PIB, 2022). (2), FDI cooled in financial year 2022-23 and 2023-24 amid tighter global monetary conditions and slower deal-making worldwide, before rebounding strongly in financial year 2024-25. Since April 2000, India's cumulative gross FDI inflow has crossed roughly 1.07 trillion (US Dollar), of which nearly 70% has come in just the last eleven years (2014-15 to 2024-25) a reflection of the compounding effect of successive rounds of liberalisation (PIB, 2025b).

India in the Global FDI Landscape

India's resilience looks even more remarkable when it is set against the global picture. UNCTAD's World Investment Report, 2025 recorded a second year in a row of falling worldwide FDI, which declined 11% in 2024 to about 1.5 trillion (US Dollar). The report attributed this to geopolitical conflict, tight financing conditions and policy uncertainty in major economies, and noted that flows to China dropped 29% in the same year (UNCTAD, 2025). On UNCTAD's balance-of-payments basis, which nets off dis-investment and so cannot be compared directly with DPIIT's gross equity figures, India's FDI stayed broadly flat in 2024 at roughly 27–28 billion (US Dollar). That was enough to move India up the global rankings even while the overall pool got smaller (UNCTAD, 2025). In the next edition of the report, India's position had improved further.

FDI inflows on this measure climbed to about 38.9 billion (US Dollar) in 2025, lifting India to eleventh place among FDI recipients worldwide. It was helped by the largest single announced green-field project of that year, a 14.5 billion (US Dollar) data-centre investment by Alphabet Inc. (UNCTAD, 2026, as cited in Business Standard, 2026). Steady inflows and a rising global rank at a time when the worldwide pool was shrinking is the clearest sign that India's investment climate has, at least in part, come unhooked from global headwinds.

Top Investing Countries

India receives FDI from more than 100 source countries, but a few of them account for most of it. In financial year 2024-25, Singapore was by a comfortable margin the largest source of FDI equity, followed by Mauritius and the United States (India Briefing, 2025). Over the long run, Mauritius and Singapore, both of which serve as hubs for routing global capital because of favourable tax treaties and holding-company structures, have together made up close to half of all the FDI equity India has received since 2000. The US and the UAE have lately become more prominent, as investors increasingly prefer direct, treaty-neutral routes and as these two countries deepen their bilateral economic ties with India.

Table -2: Top FDI Investing Countries

Rank	Country	Approx. Share of FDI Equity, FY 2024-25
1	Singapore	30%
2	Mauritius	17%
3	United States	11%
4–10	UAE, Netherlands, Japan, UK, Cayman Islands, Germany, Cyprus	Remaining share

SOURCE: COMPILED FROM PIB (2025A) AND INDIA BRIEFING (2025).

Top Beneficiary Sectors

The sector-wise pattern of FDI has changed noticeably since the pandemic. In financial year 2024-25, the services sector (financial services, banking, insurance, outsourcing and related activities) received the most, drawing about 19% of total FDI equity. It was followed by computer software and hardware at 16% and trading at 8%. FDI into services grew sharply, by nearly 41%, to 9.35 billion (US Dollar) from 6.64 billion (US Dollar) a year earlier (PIB, 2025a). Manufacturing has also become a lasting engine of growth. FDI equity into manufacturing went up 18% in financial year 2024-25 to 19.04 billion (US Dollar), compared with 16.12 billion (US Dollar) in financial year 2023-24. This continued a trend that started with a 76% jump in manufacturing FDI in financial year 2021-22, driven by production-linked incentive (PLI) schemes and by companies moving their supply chains away from dependence on a single country (PIB, 2022, 2025a). Computer software and hardware, which on its own drew more than 26 billion (US Dollar) in the COVID year 2020-21 on the back of large technology mergers and acquisitions, shows how one big deal can swing a sector's annual share dramatically from one year to the next.

Top Beneficiary States

In geographic terms, FDI in India is still concentrated in a few industrially and financially advanced states. In the fiscal year 2024-25, Maharashtra received the most, followed by Karnataka and Delhi, and the top few states have consistently taken in the bulk of all FDI equity in any given year. Maharashtra's lead reflects Mumbai's standing as India's financial capital and a favoured base for holding-company and services investment. Karnataka's strength rests on Bengaluru's position as a global technology hub, while Delhi (the National Capital Region) gains from its concentration of corporate headquarters and its consulting, trading and services activity (India Briefing, 2025). Gujarat, Tamil Nadu, Haryana and Telangana complete the list of leading recipient states, each helped by strong manufacturing or services clusters and by active investment facilitation at the state level.

Conclusion:

Lockdowns linked to COVID-19 slowed investment projects around the world, and the fear of recession made many multinational corporations more careful about taking on new commitments. Even so, India continued to attract substantial FDI through the pandemic and in the years since it has added tens of billions of dollars more, even as global FDI flows have fallen two times in a row. The reasons include a comprehensive and reasonably transparent FDI policy, political and macroeconomic stability, a large consumer market that is still under-penetrated, production-linked incentive schemes aimed at manufacturing and export-oriented investment, continuing ease-of-doing-business reforms, and steady merger and acquisition activity in technology and financial services. As India works towards doubling manufacturing FDI and looks for new sources of capital in semiconductors, green energy and digital infrastructure, sustaining and strengthening this compliance ecosystem will matter as much to the country's investment story as the policy reforms that first opened its doors.

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Grid Support Charges (GSC) : Understandings and Misconceptions

Abstract

India set target of “Net Zero” by 2070, according to it, government has taken various steps to increase renewable power generation through solar, wind etc. Maharashtra state has emerged as India's premier state for solar adoption, targeting a massive 16 GW of solar capacity. This steady and rapid progress is driven by Asia's largest decentralized solar program, historic milestones in agriculture, and rapid rooftop solar expansions. Solar energy is generated on daytime; hence problem arise to maintain grid balances when solar energy not available after daytime. There is cost to maintain grid balance, the same cost recovery is approved by MERC. New, Grid Support Charges (GSC) on solar generation in Maharashtra is levied on certain rooftop solar consumers to recover the cost of maintaining the electricity grid that remains available as backup when solar generation is insufficient. We will understand the concept of Grid Support Charges through this article.

Solar Energy Expansion in Maharashtra- Agricultural Solarization (MSKVY 2.0/KUSUM)

The state's primary focus is on providing reliable daytime electricity to farmers by solarizing agricultural feeders and installing pumps.

- Guinness World Record by MSEDCL: Maharashtra set a world record by installing 45,911 solar agricultural pumps in a single month under the “Magel Tyala Solar Krushipump scheme” for farmers.
- Feeder Solarization: Under MSKVY 2.0, decentralized solar projects (2 MW to 10 MW) are being installed within a 5 km radius of agricultural sub-stations, benefiting over 3 lakh farmers. Over 7 GW projects are in progress under this scheme.

Rooftop & Urban Solar

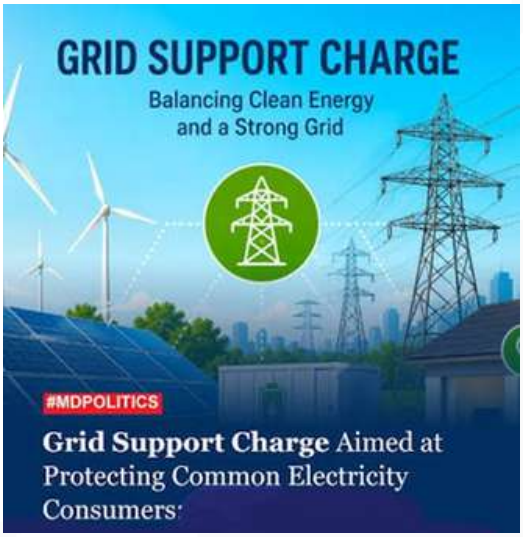
Maharashtra is leading nationwide efforts in residential rooftop solar adoption, rapidly rolling out the PM Surya Ghar Yojana & Roof Top Solar (RTS) to households across the state. Total 13.07 lakhs household benefited till 13th October 2026 under PM Surya Ghar Yojana (As per PM Surya Ghar Portal) and 3106.49 MW capacity is installed in this scheme also Government has released Rs 5926.73 Cr subsidy for installation of roof top solar in Maharashtra State.

Utility-Scale & Industrial Solar

- **MSPGCL Solar capacity Additions:** The state power generation company is executing massive projects, including a 1,071 MW capacity expansion under the Chief Minister's Solar Energy Project. There are some RE Bundling projects are in construction phase.

- **MSME Initiatives:** Deploy 400 MW of solar capacity specifically for 10,000 MSMEs to generate massive lifetime savings.

Grid Support Charges (GSC) : Key Details-



The grid support charges (GSC) in Maharashtra were approved by the Maharashtra Electricity Regulatory Commission (MERC).

Who is liable: Generally applicable to rooftop solar consumers with sanctioned load above 10 kW. Small rooftop systems (up to 10 kW) are exempt. Commercial, industrial, and large residential housing societies with solar installations above 10 kW are liable to pay GSC.

Exemptions: Residential consumers and agricultural connections with sanctioned loads under 10 kW are fully exempted.

Time of Day (ToD) Tariffs: Along with GSC, ToD tariffs apply to grid-connected users, making power more expensive during peak evening hours (5 PM to midnight).

Applicable Rates: Initially LT (Low Tension) Consumers: ₹1.96 per kWh HT (High Tension) Consumers: ₹1.42 per kWh.

Future Trajectory: The GSC for LT consumers is scheduled to scale progressively, potentially reaching ₹2.32 per unit by FY 2029–30.

When was it leviable?

The GSC is levied on solar generation units as specified by the Maharashtra regulator. The charge became operational after Maharashtra crossed the rooftop solar capacity threshold specified by the regulator i.e. 5000 MW. Now specified milestone has achieved hence GSC is leviable.

Why is it levied?

The rationale is that solar consumers use the grid for:

- Exporting excess power during the day.
- Importing power when solar generation is unavailable.
- Grid balancing, voltage control, and standby support.

Therefore, utilities argue that part of the grid maintenance cost should be recovered from such consumers. Hence same is considered and approved by MERC.

Pros of the Policy

- **Protects the Average Households:** The charges are primarily designed for commercial, industrial, or massive residential systems. Only about 2.5% of domestic consumer i.e. specifically those with sanctioned loads of 10 kW or higher—are liable to pay.
- **Funds for Grid Maintenance:** Ensures that solar users, who still rely on the utility grid for backup or nighttime power, contribute to the upkeep of substations, transformers, and power lines.
- **Encourages Energy Storage Adoption:** By attaching costs to raw grid dependence and tight time-based billing, it incentivizes users to adopt intelligent Battery Energy Storage Systems (BESS) to become more self-reliant rather than relying purely on the grid.

Cons of the Policy

- **Financial Burden for green energy generators:** For the 10 kW above capacity users (including industries and large housing societies), the GSC and tighter net-metering restrictions cut directly into the profitability of their rooftop solar investments.
- **Cost for Self-Consumption:** The charges are often applied to all solar units generated, rather than just the excess power exported to the grid, meaning you effectively pay a fee even on energy your own home consumes.
- **Banking and Time-of-Day(ToD) Restrictions:** Under the same regulatory order, power generated during peak daytime hours cannot easily be offset against costlier evening usage, severely impacting the economic value of massive solar setups.
- **Extending ROI:** This charge essentially reduces the financial savings for large housing societies, commercial properties, and industries, often extending the return on investment (ROI) period by 2 to 3 years.

Hence, we can conclude that Grid Support Charges (GSC) are approved by MERC and such fees levied by power distribution companies (DISCOMs) on solar energy systems to maintain balance of the electrical grid. Because solar users export surplus energy during the day and draw power at night or on cloudy days, DISCOMs charge this fee to help cover the cost of maintaining transformers, wires, and substations. It will be impacted only on large solar generators having capacity above 10KW.



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Will AI Take My Job — Or Change the Way I Work?

There was a time when job security meant being good at what we did.

Today, many professionals are quietly asking a different question: “What if what I do can be done by AI?”

The fear is real. While some fear losing their jobs because of AI, many also believe AI will create new opportunities. The anxiety is likely to be particularly strong among early- and mid-career professionals—those who are most likely to be balancing EMIs, young children, ageing parents and career aspirations.
So, is the fear justified? To some extent maybe.

AI anxiety is not just about technology getting ahead of us. It is also about losing our control.

When technology begins performing some of those very tasks we have performed over the years, it can feel less like a change in workflow and more like a challenge to our professional worth. And this is where the mind may quickly move from looking at it as a new possibility to a soon approaching career debacle.

The possibility of generating reports using AI can turn our thoughts into – Am I going to become redundant? Is it likely I may lose my job? What will happen to me, my family, my future?!!

All these thoughts race through quickly inside our heads. The AI agent pilot trial run in the organisation can lead to one assuming the worst. Unemployment. Period. All possibilities in between like changing responsibilities, redesigned roles, new skills and new forms of work, don’t find space in this racing mind.

One needs to pause and ask here – Is this technological upheaval really a dead-end? Or is this going to serve as a facilitator? A productivity booster? A means to improve profitability in the long run? Is it going to make my life easier in ways that I have refused to acknowledge?

Routine, repetitive and rules-based activities are naturally more likely to be considered for AI automation. But our professional life is rarely made up of a variety of mundane tasks. Interpretation of data or a report generated through an automation agent still needs a human professional whose years of experience, business judgement and acumen is going to help make some key strategic business decisions.

AI can process information, but a human touch is still required to bring context, accountability, judgement, relationships and consequences into the equation. And that is where the reality check lies.

A professional's role will thus gradually move towards the work that requires more thinking, questioning, judgement, collaboration and decision-making.
AI is not a competition to human capabilities. It is more like a supporter.

In the earlier times, when calculators became commonplace, professionals no longer needed to spend all their energy on manual calculations but they still remained valuable. The value of professional involvement shifted from crunching the numbers to how one could do with those numbers to grow the business effectiveness. Human roles thus became more strategic, their valuable time was available to drive the enterprise, more innovation and overall business growth.
AI too is likely to create more intellectual bandwidth for humans.

We need not become AI pro's…. but we certainly need to become AI-literate in our own profession—be able to use relevant tools, question AI output, identify errors and apply professional judgement.

While the reality is changing our lives, it is important not to let workplace uncertainty become a personal insecurity. Because AI-related workplace uncertainty and anxiety can also spill into life outside actual work.
We may become irritable at home, worry about finances, compare ourselves with younger colleagues who appear to be more tech-savvy, or even compare ourselves with friends in lateral positions in other organisations.

Maybe asking ourselves a few questions could help us stay away from anxiety created due to perceived uncertainty - What do I actually know? What am I assuming? What is within my control?
And if organisational restructuring does actually happen, two things matter - first is acceptance and second is being prepared.

If we have updated our profile, reconnected with our professional networks, brushed up our transferable skills and created a docket of our achievements it doesn't mean that we expect to lose our jobs. It can simply mean we take responsibility for our careers and we are prepared for any eventuality

Every major technological shift till date has changed the nature of work. Computerisation, automation, outsourcing and digitalisation all created anxiety—and also created roles that previously did not exist.

AI will probably do the same. And it makes a lot of sense to ask ourselves - What can I learn at this stage to stay relevant? What can I contribute beyond the routine? How can I make myself prepared to the work that is emerging?

We cannot control how quickly technology changes. But we can influence how quickly we learn, adapt and reposition ourselves.

Perhaps, the real shift here is working on skill enhancement and adaption. Because in a changing workplace, protecting a particular job may be difficult. But building the ability to keep creating value—even when the job itself changes—is what works in the long run.



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Beyond Checking: How a CMA Uses a Risk-Based Approach to Internal Audit

Internal audit is sometimes viewed mainly as a process of checking vouchers, inspecting supporting documents and recording exceptions. These checks remain necessary, but they do not by themselves show whether the organisation is managing its business risks effectively.

Consider a manufacturing company where the purchase price of a key raw material has risen by 8% during the year. The invoices are recorded correctly, approvals are on file and payments have been authorised. On a compliance checklist, the transactions may appear satisfactory.

The auditor can add value by examining the reason for the increase, comparing prices across suppliers and periods, checking whether competitive quotations were considered, and assessing the effect on product cost. These enquiries may reveal a cost-control issue that a document-based review would not identify.

The value of internal audit lies not only in confirming what happened, but also in explaining why it happened and what management can do about it.

From Checking Transactions to Looking at Risk

A transaction-level review may trace a purchase from invoice and approval through accounting entry to payment. That sequence is useful for testing compliance, but it may not identify the most significant exposure when a business processes a large volume of transactions.

A risk-based review begins by identifying what could fail in a business process and evaluating the likely consequences for the organisation.

The auditor then identifies the controls intended to address those risks and tests whether the controls are suitably designed and operating in practice.

In practical terms, risk-based internal audit directs greater attention to activities where the likelihood and potential consequences of error, fraud, financial loss, inefficiency or non-compliance are comparatively significant.



Practical Situations Where This Approach Helps

1.Purchase and Material Cost

Assume a company buys the same raw material from five suppliers. The auditor verifies that purchase orders and invoices have the required approvals, and the supporting records are complete.
A comparison of like-for-like purchase prices, however, indicates that one supplier repeatedly charges more than the others. Correct accounting does not, by itself, establish that the company is obtaining competitive value.

A CMA can extend the review from the purchase transaction to its effect on cost and profitability:



The auditor can quantify the effect of the price difference on the cost of affected products and discuss whether the variance is justified by quality, delivery terms, volume or other commercial factors.

2. Inventory

Regular physical verification helps establish whether recorded stock exists. It does not necessarily identify inventory that has become slow-moving, surplus, obsolete or difficult to recover at its carrying value.

For illustration, assume inventory is valued at ₹5 crore and physical quantities agree with the books. A further analysis shows that items worth ₹80 lakh have had no movement for more than twelve months. The absence of a shortage does not remove the risk of obsolescence or funds remaining tied up in stock.

A verification-focused conclusion might state that physical quantities agree with the records.
A risk-oriented review would investigate why stock worth ₹80 lakh has not moved, whether there is current demand for it, and whether a provision, write-down or corrective action should be considered.
A CMA can deepen this review by linking stock ageing with consumption patterns, production plans, scrap levels, work-in-progress and finished-goods movement.

3. Production and Manufacturing Cost

Cost and operational analysis can be especially useful when the audit question concerns production efficiency or the reasons for changes in unit cost.

Assume output has risen by 10%, while manufacturing cost per unit has increased by 15%. The movement should be analysed rather than accepted solely because the figures reconcile to the accounts.
The auditor can compare material usage per unit, labour productivity, machine utilisation, energy consumption, process loss, capacity utilisation, product mix and the basis used to absorb fixed production overheads.

Where electricity cost per unit has increased, for example, the auditor can reconcile power consumption with machine hours and production volumes, then assess the resulting cost per unit. This may help distinguish a tariff change from inefficient usage, lower utilisation or a production-related issue.

The Cost Audit Connection

This is where the role of a Cost Accountant as an internal auditor becomes particularly valuable.

Cost audit work involves analysing material and employee costs, utilities, overheads, production, capacity utilisation, inventory and product-wise costs. Subject to the availability and reliability of records, these same data points can support risk assessment and performance analysis in internal audit.

Area	Risk-based audit question
Material	Why has material consumption per unit increased?
Labour	Why has labour cost per unit increased?
Power	Why is power consumption per unit higher?
Production	Why has capacity utilisation reduced?
Scrap	Why has scrap percentage increased?
Overheads	Are overheads increasing faster than production?
Product cost	Which products are showing unusual cost increases?

Cost data therefore has a wider use than statutory reporting alone. When analysed alongside operational information, it can help identify unusual movements, inefficient processes and areas that warrant further audit work.

An Important Change in the Auditor's Thinking

Compliance-oriented question: “Were the purchase invoices approved in accordance with the procedure?”
Risk-oriented questions: “Was the price reasonable? Were suitable suppliers considered? Are price differences explainable? Could the purchasing process be improved without compromising quality or continuity of supply?”
The first set of questions tests whether the prescribed procedure was followed. The second examines whether the process also manages commercial and operational risks. A sound audit considers both compliance and the effectiveness of the process.

Technology Can Make This Easier

A risk-based audit can be supported by tools already available in many organisations, including spreadsheets, ERP reports and basic data-analysis techniques. The usefulness of the analysis depends on the completeness and consistency of the underlying data.

Examples of useful tests include identifying unusual purchase-price movements, overdue customer balances, items with no recent inventory movement, atypical credit notes, repeated manual journal entries, abnormal material consumption and products with unexplained cost increases.

Rather than reviewing every transaction with the same level of detail, the auditor can use defined criteria to flag exceptions for investigation. Such analysis helps focus audit effort; it does not replace verification, professional scepticism or judgement.

The CMA's Opportunity

The changing role of internal audit provides a significant opportunity for Cost and Management Accountants.
Financial results + Cost drivers + Operational measures + Risk assessment

Taken together, these inputs help the auditor assess not only whether transactions are recorded correctly, but also whether processes are operating as intended and resources are being used effectively.

For example, sales may increase by 12% while profit rises by only 3%. The CMA can investigate whether the difference is associated with material prices, power and freight costs, changes in product mix, discounting or other factors, and quantify their respective effects where the data permits.

This analysis can make internal audit a source of practical management insight, alongside its role in evaluating compliance and controls.

Conclusion

The purpose of internal audit is not to identify an exception in every transaction. It is to assess significant risks, evaluate whether related controls are working and recommend proportionate improvements based on the evidence examined.



A CMA can help management understand the business impact behind an audit finding by relating financial information to cost drivers, operational measures and profitability. Recommendations should be supported by evidence and should address the underlying cause, not merely the immediate symptom.

The central question for internal audit is therefore broader than whether a transaction was recorded correctly. It is whether important risks have been recognised, whether controls address those risks, and what practical action could improve the organisation's performance.

By applying a risk-based approach, a CMA can help internal audit move from checking individual transactions to evaluating what matters most, strengthening controls and supporting better-informed business decisions.

JOB POST

Dear Members,

In alignment with commitment towards members in industry, WIRC has introduced a section Job post on the website. We make an appeal to all the members to visit the job post and

- Share openings with your organization. WIRC will post it on the website
- Interested members can view current opportunities and apply.

Please share your requirements to WIRC on following email id to post on the Job portal: wirc.admin@icmai.in

Please Visit our website https://www.icmai-wirc.in



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The DNA Shift: CMAs Leading India Through Internal Audit 5.0

"Control is not a fence around the business. It is the pulse that runs through it."
— Original reflection on the changing purpose of assurance

Abstract

The corporate control is being rewritten quietly, but permanently. The traditional internal audit role, which was once focused on vouching, ticking and post-event reporting, is being transformed by the continuous flow of data, predictive analytics and artificial intelligence integrated into everyday business decisions. This paper examines that change from one perspective: the evolving DNA of internal audit and the professional best suited to lead it, the Cost and Management Accountant. The aim of the paper is threefold: to trace the evolution of internal audit over five generations, to propose an original assurance framework and maturity model appropriate to Indian organisations of all sizes and sectors, and to illustrate through realistic case scenarios how predictive and continuous assurance might have impacted outcomes that businesses typically experience. The paper adopts a conceptual and applied research approach, which includes a review of regulatory expectations on risk oversight, and practitioner-oriented case simulations from manufacturing and banking and small enterprise contexts. The findings provide a concise four-pillar framework called the C.O.D.E. Framework, a six-level Audit Genome Maturity Model, and sector-specific early warning dashboards that turn audit into a forward-looking discipline. Readers will not only discover an argument for change, but a toolkit that a practitioner could use in a boardroom, a factory floor, or a small accounting office as soon as tomorrow morning.

Introduction: When Control Learns to Think

All living things have a sequence of DNA that quietly determines their growth, adaptation and survival. Corporate control systems are no different. For decades, the DNA of internal audit was written in a simple code, check the voucher, verify the approval, report the exception. That code served its purpose in a paper-based economy but is proving inadequate where a single transaction can travel through an enterprise resource system, a payment gateway, an artificial intelligence based approval engine and a regulatory portal within seconds. 138 of the Companies Act, 2013, read with the applicable rules, already places internal audit at the centre of governance for prescribed classes of companies, and the Standards on Internal Audit increasingly expect a risk-based and technology-enabled approach rather than a transaction-based one. The professional carrying this shift forward across Indian boardrooms, government departments, hospitals and small enterprises is the Cost and Management Accountant, whose training in cost behaviour, process flow and enterprise-wide data already resembles the genetic code that modern audit now demands.

The Five Generations of Internal Audit

Internal audit has not changed overnight. It has evolved generation by generation, each stage building on the limitations of the one before it, much as a species adapts across successive cycles.

Generation	Core Focus	Typical Question Asked
IA 1.0	Voucher and transaction checking	Was the bill approved correctly
IA 2.0	Internal control evaluation	Does the control exist on paper
IA 3.0	Risk based audit planning	Where is the business most exposed
IA 4.0	Data analytics and automation	What does the full data set reveal
IA 5.0	Predictive and continuous assurance	What is about to go wrong and how is it prevented

Table 1 traces the shift of internal audit from a backward looking compliance exercise toward a forward looking intelligence function. Each generation did not replace the earlier one entirely, it absorbed it and added a sharper layer of foresight.

The C.O.D.E. Framework: A Genetic Code for Modern Assurance

When DNA is nature's code for survival, corporate assurance must have its own code for resilience.

The following framework is suggested as an original, concise model, which any organisation, can use as a working sequence, not a theoretical checklist, regardless of size.

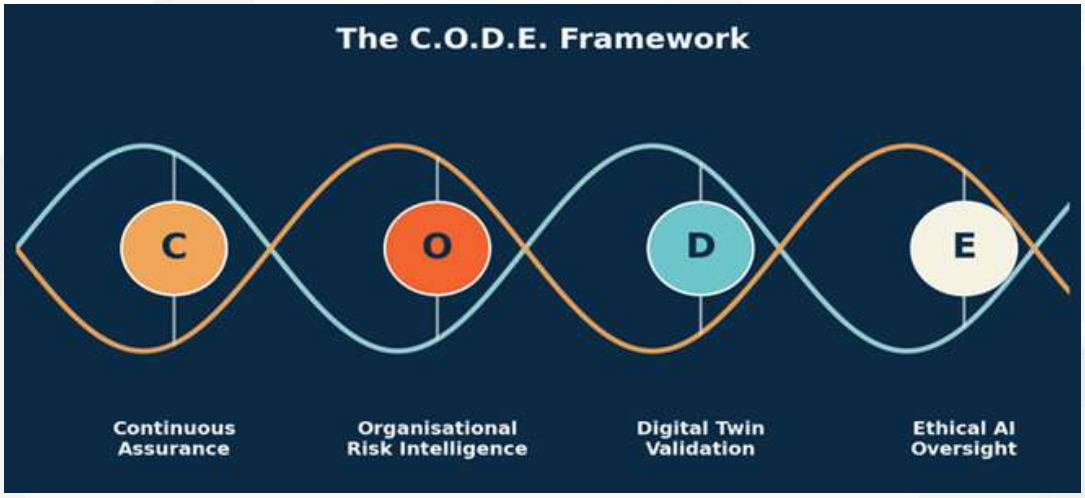


Figure 1 presents The C.O.D.E. Framework as four strands that are interconnected, not four silos. Continuous Assurance keeps a constant pulse on transactions, Organisational Risk Intelligence connects departmental data into one risk picture, Digital Twin Validation tests virtual replicas of operations before real losses occur and Ethical AI Oversight questions the fairness of automated decisions before they questions the organisation.

Strand	What It Means in Practice
C – Continuous Assurance	Real time monitoring of transactions, approvals and exceptions instead of a quarterly or annual review cycle
O – Organisational Risk Intelligence	Integration of finance, cost, cyber, compliance and ESG risk signals into one unified enterprise view
D – Digital Twin Validation	Testing a virtual model of a factory, warehouse or finance process to catch failure points before they occur physically
E – Ethical AI Oversight	AI auditing AI, examining whether automated systems used for lending, pricing, recruitment or vendor selection are explainable, unbiased and overridable by a human

Table 2 breaks the framework into implementable actions. A CMA leading an internal audit function can use this table as a starting checklist while designing the annual audit plan for the year.

AI Auditing AI

A growing number of Indian companies now use automated systems to approve loans, price products, screen vendors and shortlist candidates for recruitment. This raises a question few Indian professional papers have asked directly, when artificial intelligence starts making business decisions, what watches the watcher. The answer, increasingly, is artificial intelligence auditing artificial intelligence, with internal audit designing the checks that keep the machine honest. India's 2023 legislation on digital personal data protection and expectations of technology –related risks already built into the Standards on Internal Audit make this an emerging mandate rather than a distant possibility. Four questions deserve a permanent place on every audit programme, whether the system carries a hidden bias, whether its training data has been tampered with, whether an employee retains the practical ability to override an incorrect decision and whether the reasoning can be explained in plain language to a regulator. Internal audit built on the C.O.D.E. Framework treats these four questions as a recurring test, not a one-time review.

Case Illustrations from Everyday Business Life

These scenarios are real-life examples of issues that organisations of varying sizes face in their day-to-day activities. Names have been retained in a generic form to ensure that the focus is on the lesson itself and not on any particular entity.

Situation – A Limited (Manufacturing)

A Limited has 3 factories that manufacture parts for automobiles. It is physically stocked each year, count reveals ageing inventory worth several crores which nobody flagged in advance. The annual audit conducted after the year is over only confirms a loss that has already occurred. Production planning, warehouse data and supplier delivery records are in three separate systems that don't communicate. They are reconciled with each other until the audit team does it manually months later.

Response Using the C.O.D.E. Approach

A digital twin of the warehouse and production line is created, allowing stock ageing, machine downtime and other issues to be resolved and supplier concentration is monitored on an ongoing basis, not annually. The role of internal audit changes from counting stock after the loss to verifying if the early warning signal was acted upon in time by the digital twin. The same predictive logic that previously predicted production output is now predicting risk, and the audit function is no longer a scribe of past mistakes, but a partner in prevention.

Situation – B Limited (Banking and Financial Services)

A mid-sized lender sees a significant increase in loan related fraud in one financial year. A similar trend is evident at the national level. The reported amount of bank frauds also surged significantly from around Rs12,230 crores in FY 2023–24 to Rs.36,014 crores in the subsequent FY 2024–25, of which frauds related to loan disbursements alone jumped to around Rs.33,148 crore (Reserve Bank of India, 2025). Traditional sample-based audit reviews a few loan files quarterly, after the loan has been disbursed.

Response Using the C.O.D.E. Approach

The predictive risk scoring layer is applied at loan origination, identifying unusual documentation patterns, transaction velocity and borrower behaviour before the loan is disbursed. Internal audit shifts from testing a sample of closed files to validating the accuracy and fairness of the scoring model itself, thus auditing the gatekeeper rather than just the gate. This is the C.O.D.E. Framework's Ethical AI Oversight and Continuous Assurance control combined.

Situation – X Limited (Micro, Small and Medium Enterprise)

X Limited is a small textile exporter that has a small finance team and no budget for enterprise audit software. The reason for cash flow surprises is that receivables, GST input credit timelines and vendor payment cycles are spread across various spreadsheets and warning signs are only detected after a payment default.

Response Using the C.O.D.E. Approach

An affordable dashboard, based on a simple spreadsheet or entry level analytics tool, monitors receivable ageing, mismatches of GST credits and vendor concentration on a single screen, and is updated weekly, not at year end. The C.O.D.E. Framework is not a costly software program, it is a way of thinking and a small business can use it at a much lower cost than a listed company.

Building the Early Warning Dashboard

A dashboard that only measures what has already happened is not useful. The starting point below is provided for each sector and can be tailored to an organisation by a CMA.

Sector	Leading Indicator to Track	Why It Matters
Manufacturing	Inventory ageing, machine downtime, supplier concentration	Signals stock obsolescence and supply disruption before they hit the profit and loss account
Banking and NBFC	Failed login attempts, transaction velocity, overdue loan trend	Flags fraud and asset quality stress ahead of formal classification
Government and PSU	Budget variance, project timeline slippage, unspent scheme funds	Points to leakage or execution failure while correction is still possible
MSME	Receivable ageing, GST credit mismatch, vendor payment delay	Protects working capital before a cash crunch becomes a default

Table 3 shows that the early warning indicators vary from sector to sector, but the underlying principle remains the same across all of them: the cost of preventing a risk is much less than the cost of auditing it after it has occurred.

The New DNA of the Cost and Management Accountant

The professional identity of the CMA is itself undergoing a genetic rewrite. The Cost and Works Accountants Act, 1959 and the standards issued under it already anchor the profession in cost governance, internal control evaluation and management advisory work, giving the CMA a natural head start in enterprise-wide risk thinking. The table below restates the role of the CMA. From an auditor label to a broader identity that the profession is becoming into.

Traditional Identity	Emerging Identity Under Internal Audit 5.0
Cost Auditor	Enterprise Risk Architect
Compliance Checker	Continuous Assurance Leader
Report Writer	Board Risk Communicator
Historical Analyst	Predictive Performance Advisor

Table 4 is not a statement that older responsibilities are gone, it is a statement that they are now within a larger circle of responsibility that involves prediction, technology oversight and board level communication.

The Audit Genome Maturity Model

It's rare for organisations to go from a manual audit to a full predictive audit in one fell swoop. The Audit Genome Maturity Model is an original diagnostic tool proposed here, which can be used by any organisation, from a cooperative society to a listed manufacturer, to find where it is now and where it is going next.

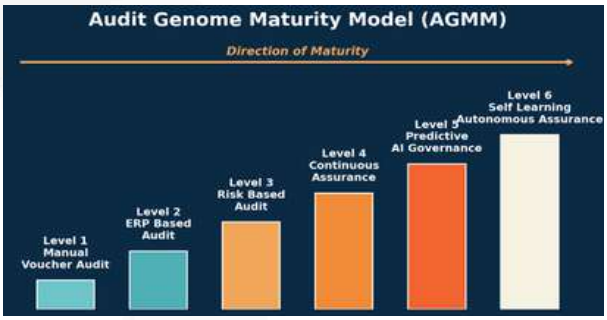


Figure 2 shows six stages of audit maturity, ranging from manual, voucher-based checking (Level 1) to self-learning autonomous assurance with human oversight (Level 6). The majority of mid-sized businesses in India today are in the middle of the range, between Level 2 and Level 3, so the path ahead is not too far.

From Risk Register to Risk Rhythm

An annual risk register that is then forgotten is not very effective. This paper suggests that the governance cycle is not a one-way list, but a continuous cycle, Identify, Predict, Prevent, Monitor, Learn and Improve, which is repeated quarterly and not finished with an annual entry. As one working reminder says, a risk that is written and then forgotten is a risk that will come back, sharper and more expensive than ever.

Conclusion

Data, prediction and artificial intelligence are rewriting the DNA of internal audit, and the Cost and Management Accountant is at the heart of it, equally at home in the realm of cost behaviour, enterprise data and board-level governance discussions. The C.O.D.E. Framework and the Audit Genome Maturity Model provided here are living examples and should be tailored and enhanced within the context of actual organisations in industry, government and society. A profession that used to count vouchers is now being asked to read patterns, question machines and protect trust before damage occurs, a change in genetic code, not a small change in technique.

“An audit that looks back will always be too late, an audit that reads the future will come just in time.”

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Internal Audit & Risk Management: The Changing DNA of Corporate Control

Executive Summary

The architecture of corporate control is undergoing a fundamental transformation, thanks to the regulatory changes, advancements in technology (AI/ML sweeping across countries), global economic volatility, and increasing stakeholder expectations. The age-old perimeter of defence, characterized by static checklists, post-facto reviews, and operational silos are evolving into an integrated, agile, and predictive ecosystem. This is all the more prevalent in the BFSI sector, where balance sheets are intrinsically exposed to systemic risk.

For Cost and Management Accountants (CMAs), this shift represents both a challenge and a strategic opportunity. Today's CMA is uniquely positioned to bridge financial strategy, risk governance, and operational resilience. Through this article we shall explore how Internal Audit and Risk Management are redefining corporate control through Strategic Risk Management, Enterprise Risk Frameworks, Internal Audit Innovations and domestic banking case studies and in the process evaluate the expanded leadership role of CMAs in financial governance.

1.Introduction: The Evolution of Corporate Control

Corporate control mechanisms were historically designed as protective containment structures. The primary purpose was to ensure integrity in financial reporting, safeguarding the assets, and ensure compliance within statutory frameworks. However, now, the financial industry faces a combination of unprecedented factors:

- **Digital Transformation:** The rapid shift toward open banking, API-driven architecture, cloud infrastructure, and artificial intelligence (AI).
- **Macroeconomic and Geopolitical Instability:** Fluctuating interest rates, inflationary pressures, sovereign debt pressures, and international market fragmentation.
- **Non-Financial and Emerging Risks:** Cyber threats, climate-related credit risks, third-party vendor dependencies, and operational resiliency challenges.

This has necessitated a paradigm shift in the corporate control framework. The reliance of Banking institutions solely on historical data to predict future distress has changed with the alignment of risk management and internal audit mechanisms now acting as radar systems, identifying vulnerabilities before they impact capital adequacy, profitability, or organizational reputation and pre-empting corporates to initiate corrective actions.

2.Strategic Risk Management (SRM): Aligning Control with Value Creation

2.1 Moving Beyond Operational Compliance

Traditional risk management in banking often focused on core financial risks: Credit Risk, Market Risk, and Operational Risk. While these aspects still remain critical, the introduction of SRM has been designed to address a higher-level concern: the risk of a flawed business strategy or the failure to execute a sound strategy due to external market shifts.

In banking, strategic risk manifests in several key areas:

- **Business Model Disruption:** The erosion of traditional retail and commercial banking margins by FinTech lenders, NBFCs, and Decentralized Finance (DeFi) platforms.
- **Transition and Physical Climate Risks:** Portfolio vulnerability to stranded assets in carbon-intensive industries, alongside physical risk exposures in commercial real estate portfolios.
- **Technology Misalignment:** Investments in legacy technology modernizations which fail to deliver either in terms of improved process efficiencies or customer retention benefits.

2.2 Strategic Risk Management vs. Traditional Risk Management

To understand the structural shift to SRM, it is necessary for Banks and FIs to evaluate how traditional approaches compare against modern strategic practices:

Strategic Dimension	Traditional Risk Management	Modern Strategic Risk Management (SRM)
Primary Focus	Regulatory compliance, capital ratios, and credit default prevention.	Long-term strategy execution, competitive edge, and business model sustainability.
Perspective & Timing	Retrospective analysis based on historical transactional data.	Forward-looking scenario modelling and stress testing.
Governance Integration	Handled in isolation by risk departments; reviewed periodically.	Fully embedded in board-level strategy and annual planning cycles.
Decision Metric	Cost minimization and risk avoidance	Risk-Adjusted Return on Capital (RAROC) and Economic Value of Equity (EVE).

By connecting SRM with capital metrics, banks ensure that risk appetite guides business decisions rather than restricting growth.

3.Enterprise Risk Frameworks (ERM): Architecture for Modern Banking

3.1 Re-evaluating the Three Lines Model

The Institute of Internal Auditors' (IIA) updated Three Lines Model which emphasizes collaboration, alignment, and value creation over rigid organizational boundaries:

Line	Primary Responsibility	Strategic Focus in Banking
First Line (Business Operations)	Front-line risk ownership	Managing risk at product origin (e.g., credit underwriting, branch operations, digital channel onboarding).
Second Line (Risk Management & Compliance)	Framework, oversight, and challenge	Setting risk policy, scenario design, stress testing, and real-time risk monitoring.
Third Line (Internal Audit)	Independent assurance	Comprehensive, objective evaluation of First & Second-Line effectiveness, reporting directly to the Board Audit Committee.

In modern banking, the existing lines and the roles are cutting across the control frame-works and are becoming more permeable without compromising independence of each unit. Real-time data sharing ensures that the Third Line evaluates operational controls using the same live data streams monitored by the Second and First Lines.

3.2 Integrated ERM Risk Categorization

An effective Enterprise Risk Framework in banking breaks down the individual silos existing between financial, operational, and non-financial risks:

Risk Category	Core Banking Exposure	Governance & Control Mechanism
Financial Risks	Credit default, market volatility, liquidity squeezes, interest rate fluctuations.	Dynamic Capital Adequacy targets (CET1), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR).
Operational Risks	Cyber security attacks, system outages, third-party vendor failures.	Automated access logging, Business Continuity Planning (BCP), and vendor SLA audits
Non-Financial Risks	ESG / Climate risks, regulatory compliance, reputational damage.	Carbon-intensity portfolio screening, real-time AML/KYC filters, and stakeholder reporting controls.

4.Internal Audit Innovations: The Next-Gen Assurance Paradigm

4.1 Evolution of Internal Audit Approaches

Traditional internal auditing relied on periodic, retrospective sampling. In modern banking, where transaction volumes run into millions per hour, sample-based auditing leaves significant coverage gaps. Internal audit is shifting toward **Continuous Auditing and Real-Time Assurance.**

Audit Dimension	Traditional IA	Next-Gen IA
Methodology	Annual audit planning with periodic field engagements.	Continuous, real-time auditing and agile sprint audits.
Data Scope	Manual sampling (e.g., testing 5% of loan files).	100% full-population testing using automated API feeds.
Technology	Spreadsheets, manual checklists, and narrative workpapers.	Machine Learning, Natural Language Processing (NLP), and predictive analytics.
Reporting Cycle	Static end-of-audit report delivered months after field work.	Real-time automated dashboard alerts and iterative management sprints.

4.2 Data Analytics and Machine Learning in Audit Operations

The integration AI, ML and intelligence is transforming the audit life cycle across all key stages:

Data Pipeline Stage	Analytical Technology	Operational Audit Outcome
Data Extraction	Automated API connectors to core platforms	Continuous extraction of live transactional data across branches and channels.
Pattern Evaluation	Unsupervised Machine Learning Models	Identification of subtle fraudulent patterns and policy deviations missed by sampling.
Unstructured Analysis	Natural Language Processing (NLP)	Scanning loan contracts, customer logs, and regulatory notices for risk indicators.
Planning & Scoping	Predictive Risk Scoring Algorithms	Dynamic allocation of audit resources to high-risk business units in real time.

5.Real-World Case Study: Banking Failure in the Indian Context

To understand the practical impact of breakdown in internal audit and risk management, consider the structural collapse of YES Bank (2020). This case study highlights how failures across all three lines of defence led to regulatory intervention.

5.1 Case Constext & Overview

YES Bank, established in 2004, grew into one of India's leading private sector banks. However, aggressive growth strategies combined with concentration risk in sensitive sectors viz. real estate, infrastructure, and NBFCs, led to systemic stress. In March 2020, the RBI placed YES Bank under a moratorium, superseded its board, and executed a multi-bank restructuring plan.

5.2 Anatomy of Governance & Control Breakdown

The integration AI, ML and intelligence is transforming the audit life cycle across all key stages:

Line of Defence	Specific Breakdown at YES Bank	Impact on Financial Stability
First Line Breakdown *(Business Operations & Credit Underwriting)*	• Aggressive lending to stressed corporate borrowers to increase fee income. • Practice of loan evergreening	Substantial accumulation of hidden NPAs and concentration risk.
Second Line Breakdown *(Risk Management & Compliance)*	• Failure to enforce risk appetite limits on SBL/GBL exposures. • Under-reporting of 'bad' loans, leading to significant NPA divergence reported by RBI.	Loss of market credibility, severe credit rating downgrades, and capital depletion.
Third Line Breakdown *(Internal Audit & Board Oversight)*	• IA failed to challenge aggressive credit practices or flag evergreening. • Audit Committee oversight was compromised by management overriding internal controls.	Systemic liquidity run by depositors, forcing central bank intervention and restructuring.

5.3 Key Takeaways for Financial Governance

The integration AI, ML and intelligence is transforming the audit life cycle across all key stages:

- **Divergence Monitoring:** IA must independently verify NPA classification rather than relying on management assumptions.
- **Culture & Management Override:** Audit committees need mechanisms to detect management override of controls, particularly in credit sanctioning.
- **Continuous Early-Warning Signals:** Financial institutions must track EWS (e.g., rapid credit growth, loan concentration, and refinancing dependencies) in real time rather than waiting for annual inspections.

6.The CMA's Expanding Role in Governance, Risk, and Assurance

CMAs possess necessary skill-sets which bridges financial management, operational performance, and quantitative analytics. With the evolvement of corporate control systems, the role of the CMA is slowly expanding well beyond financial accounting and cost reporting into executive-level risk governance.

6.1 Pillars of the Modern CMA's Governance Function

YES Bank, established in 2004, grew into one of India's leading private sector banks. However, aggressive growth strategies combined with concentration risk in sensitive sectors viz. real estate, infrastructure, and NBFCs, led to systemic stress. In March 2020, the RBI placed YES Bank under a moratorium, superseded its board, and executed a multi-bank restructuring plan.

Pillar	Strategic Focus	Financial & Operational Impact
Cost-to-Risk Optimization	Balancing control costs with loss mitigation.	Evaluates return on investment for risk controls to avoid under- or over-engineering.
Strategic Capital Allocation	Embedding risk metrics in performance.	Evaluates business units using Risk-Adjusted Return on Capital (RAROC).
Quantitative Risk Assurance	Auditing digital and ESG transformations.	Ensures green bond compliance, climate stress testing, and tech-ROI trackability.

6.2 Financial Integration with Operational Risk

CMAs evaluate operational risk events through a clear financial framework. By applying cost management principles to operational control, CMAs help banks evaluate the financial impact of risk mitigation investments:

Net Value of Risk Control = Expected Reduction in Risk Loss – Cost of Control Implementation

This approach ensures the institution avoids both under-controlled risks and over-engineered, costly control frameworks.

6.3 Capital Optimization and Risk-Adjusted Performance

In modern banking, performance management must incorporate risk exposure metrics. CMAs use advanced management accounting tools to evaluate business units based on Risk-Adjusted Return on Capital (RAROC):

$$\text{RAROC} = \frac{\text{Revenues} - \text{Operating Costs} - \text{Expected Losses} + \text{Income from Capital}}{\text{Economic Capital (Un-Expected Loss)}}$$

By embedding RAROC into performance evaluation and compensation structures, CMAs align business growth incentives directly with board-approved risk appetite limits.

7.Regulatory Frameworks & Comparative Governance Perspective

To build a resilient control environment, banking institutions must align their Enterprise Risk Management (ERM) framework and Audit strategies with established global and domestic standards:

Framework / Regulation	Key Objective	Impact on Corporate Control & Internal Audit
Basel III / Basel IV Frameworks	Capital adequacy, leverage ratios, and liquidity buffers.	Requires robust RWA validation and rigorous audit testing of credit risk models.
RBI Cyber Security & Risk Guidelines	Tech governance, digital fraud prevention, and operational resiliency.	Mandates continuous internal control auditing over digital channels and API infrastructure.
BCBS 239	Risk data aggregation and reporting capabilities.	Mandates clear governance, architecture, and data quality controls for all risk-related reporting.
Companies Act 2013 / SEBI LODR	Integrity of internal financial controls and board oversight.	Requires documented, tested internal financial controls (IFC) with independent board audit review.

8.Strategic Recommendations for Banking Institutions

To successfully update their corporate control environments, financial institutions should focus on four key initiatives:

- **Invest in Integrated Risk Technology Platforms:** Replace fragmented legacy systems with cloud-based GRC (Governance, Risk, and Compliance) software that provides unified real-time risk dashboards.
- **Promote Continuous Upskilling:** Provide training in data analytics, AI, cyber risk, and climate finance for internal audit and risk personnel.
- **Embed CMA in Strategic Risk Committee Roles:** Position CMAs within executive risk and audit committees to link strategic planning directly with quantitative risk models.
- **Transition to Data-Driven Agile Assurance:** Shift internal audit resources away from routine checklist reviews toward real-time analytics, continuous control monitoring, and dynamic risk-focused sprints.

9.Conclusion

The changing DNA of corporate control is transforming risk management and internal audit into vital components of organizational resilience and strategy. In the modern banking ecosystem, where systemic shocks and technological shifts occur regularly, control frameworks must be agile, predictive, and data-driven.

For CMA, this shift provides an opportunity to lead financial governance into a new era. By combining financial expertise, cost management principles, and quantitative risk metrics, CMAs play a key role in designing and evaluating modern corporate control frameworks—ensuring organizations maintain sustainable growth and stability across changing economic cycles.

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Internal Audit & Risk Management: The Changing DNA of Corporate Control

In this article I am trying to discover how strategic risk management, enterprise risk frameworks, audit technology, and CMAs are transforming corporate governance, assurance, and business resilience.

Abstract

The evolving complexity of business risks has fundamentally changed the role of corporate control, requiring organizations to move beyond traditional compliance-oriented internal audit toward a more strategic, risk-informed, and forward-looking approach. This article examines the changing relationship between **internal audit and risk management** and its implications for contemporary corporate governance, assurance, and organizational resilience. It highlights how Strategic Risk Management and Enterprise Risk Management (ERM) can integrate risk considerations into decision-making, while data analytics, continuous auditing, automation, and artificial intelligence can enhance the speed, scope, and effectiveness of internal audit. At the same time, technology cannot replace professional judgment, independence, ethical conduct, and human oversight.

Through this article further I attempting to examine the evolving role of **Cost and Management Accountants (CMAs)** in strengthening governance and assurance through their expertise in financial performance, cost management, operational efficiency, internal controls, and strategic decision-making. The Three Lines Model is considered as a framework for clarifying accountability and preserving the independence of internal audit, while an organization-wide risk culture is identified as essential to making risk awareness part of everyday decision-making. The discussion emphasizes that effective corporate control is not measured by the volume of policies or audit reports, but by an organization's ability to identify emerging risks early, respond effectively to weaknesses, learn from experience, and make informed decisions.

Ultimately, the integration of internal audit, risk management, technology, sound governance, and professional expertise can transform corporate control from a compliance obligation into a source of confidence, resilience, and sustainable long-term value.

Primary keyword:
Internal Audit and Risk Management

Secondary keywords:
Strategic Risk Management, Enterprise Risk Management, Internal Audit Innovations, Corporate Governance, Risk-Based Internal Audit, Role of CMAs in Risk Management.



Introduction: From Finding Faults to Creating Value

Every organization, irrespective of its size or industry, operates in an environment of uncertainty. A sudden increase in raw material prices, a cyberattack, a breakdown in the supply chain, an unexpected regulatory change, or even a small weakness in an approval process can have consequences far beyond what management initially anticipates. In today's interconnected business world, risks rarely remain confined to one department. A problem that begins in procurement may affect production, cash flow, customer relationships, and ultimately the organization's reputation.

This reality has changed the way corporate control must function.
Traditionally, internal audit was often viewed as a mechanism for checking records, verifying compliance, identifying errors, and reporting deviations after transactions had taken place. Although these responsibilities remain important, modern organizations require much more. They need an internal audit function that can look beyond historical transactions, understand business realities, anticipate emerging threats, and help strengthen the processes that support long-term success.

This is where the relationship between internal audit and risk management becomes particularly significant. Together, they can help organizations move from reacting to problems towards preparing for them.



The changing DNA of corporate control is therefore not simply about adopting new technology or introducing additional procedures. It is about changing the mindset of an organization—from asking, "What went wrong?" to also asking, "What could go wrong, and what can we do about it today?"

1. Strategic Risk Management: Looking Beyond the Immediate Horizon

Strategic risk management begins with a simple but important understanding: every business decision involves uncertainty. Entering a new market, investing in machinery, introducing a product, adopting artificial intelligence, or depending on a major supplier may create opportunities, but each decision also carries potential risks.

The challenge for management is not to avoid all risks. Doing so would prevent innovation and growth. The real challenge is to understand risks before committing resources and to ensure that the organization is prepared to manage their consequences.

Consider a manufacturing company that depends heavily on one supplier for a critical raw material. Under normal circumstances, this arrangement may reduce procurement costs and simplify operations. However, if the supplier experiences financial difficulties or faces a sudden production disruption, the manufacturer may be unable to meet customer commitments. What initially appeared to be an efficient purchasing decision could become a significant business risk.



A forward-looking internal audit function would examine more than purchase invoices and contractual compliance. It would assess supplier concentration, the availability of alternatives, contingency arrangements, inventory policies, and the financial impact of a prolonged disruption.

This illustrates the difference between traditional checking and strategic assurance.
Effective strategic risk management involves identifying significant threats, evaluating their potential impact, assigning responsibility, establishing suitable controls, and monitoring changes over time.
It also requires management to consider how different risks interact.
A cyber incident, for example, may lead not only to technology-related losses but also to operational delays, regulatory consequences, customer dissatisfaction, and reputational damage.

2. Enterprise Risk Management: Connecting the Bigger Picture



In many organizations, risks are managed separately by different departments. Finance monitors liquidity, procurement manages suppliers, information technology addresses cybersecurity, and human resources focuses on workforce-related matters. Each function may perform its responsibilities competently, yet the organization may still lack a complete understanding of its overall risk exposure.

Enterprise Risk Management (ERM) addresses this gap by bringing risk information together and connecting it with the organization's objectives.

An effective ERM framework encourages management to consider not only individual risks but also their combined effect on performance, strategy, and business continuity. It establishes a common approach to identifying, assessing, reporting, and responding to uncertainty.

- **Clear accountability:** Every significant risk should have an identified owner responsible for monitoring it and taking appropriate action.
- **Risk appetite:** Management and the board should define the nature and level of risk the organization is willing to accept while pursuing its objectives.
- **Risk registers:** Significant risks, existing controls, potential consequences, and planned corrective measures should be documented and regularly reviewed.
- **Key Risk Indicators:** Measurable indicators should help management recognize warning signs before a risk develops into a serious problem.
- **Timely escalation:** Material risks and control weaknesses should reach the appropriate decision-makers without unnecessary delay.
- **Continuous review:** Risk assessments should evolve as business conditions, technologies, regulations, and stakeholder expectations change.

Frameworks such as COSO Enterprise Risk Management and ISO 31000 provide useful guidance for establishing these arrangements.

However, adopting a framework is not enough. A risk register that is updated only before an annual review, or a risk committee that discusses issues without assigning responsibility, may create the appearance of control without delivering meaningful protection.

The real test is whether risk information influences decisions. Are emerging threats considered during budgeting? Does management revisit its plans when assumptions change? Are corrective actions completed on time? Do employees understand the risks associated with their responsibilities?

Internal audit can independently evaluate these questions and help the board and management understand whether ERM is functioning as a genuine management discipline rather than merely a documentation exercise.

3. Internal Audit Innovations: Technology with Human Judgment



Technology is creating new opportunities for internal audit to become faster, more comprehensive, and more responsive.

Traditional audit procedures often involve examining selected transactions, reviewing documents, interviewing employees, and testing controls at particular points in time. These methods remain valuable, but large transaction volumes and increasingly complex systems can make it difficult to identify every significant exception through manual procedures alone.

Data analytics allows auditors to examine larger populations of transactions and identify patterns that may deserve closer attention. For example, analytical tools may highlight duplicate vendor invoices, unusual payment timings, transactions just below approval thresholds, unexpected expense variations, or repeated changes to supplier records.

Continuous auditing and early warning

Continuous auditing can help assess selected transactions and controls at regular or frequent intervals. When designed appropriately, automated procedures can generate alerts when defined conditions are breached.

Imagine a company where purchase orders above a specified value require additional approval. A monitoring system could identify transactions processed without the required authorization and alert the responsible team. The issue could then be investigated promptly rather than waiting until the next scheduled audit.

However, an alert is not proof of wrongdoing. There may be a legitimate explanation, a data-quality issue, or an incorrectly configured rule. Professional judgment and appropriate investigation remain essential.

Artificial intelligence and automation

Artificial intelligence can support document analysis, risk classification, anomaly detection, and the review of large volumes of information. Automation can also reduce repetitive work and free auditors to focus on higher-value activities.

At the same time, these technologies introduce risks of their own. Inaccurate data, inappropriate access, poorly designed algorithms, and insufficient human oversight can produce misleading results. Organizations must also consider confidentiality, privacy, cybersecurity, and the reliability of technology-generated evidence.

The future of internal audit will therefore depend not simply on how much technology an organization adopts, but on how responsibly it uses that technology.
The strongest audit functions will combine digital capabilities with professional skepticism, business understanding, communication skills, and sound judgment. Technology can identify where to look; experienced professionals must determine what the findings mean and what action is justified.

4. Evolving Role of CMAs in Governance and Assurance

Cost and Management Accountants have an important contribution to make in this changing environment. Their knowledge of cost structures, financial reporting, budgeting, performance measurement, working capital, and management decision-making enables them to connect risk management with the financial and operational realities of a business.

For example, a decline in profitability may appear to be a straightforward financial issue. A closer examination might reveal rising wastage, inefficient production scheduling, weak inventory controls, inaccurate demand forecasting, or excessive dependence on a small group of customers. Each of these underlying causes presents a different risk and requires a different response.

A CMA can help management move beyond the reported variance and understand the operational factors driving it.
Their contribution can be particularly valuable in the following areas:



Financial risk and performance: CMAs can assess liquidity, profitability, cash-flow forecasts, working capital, cost behaviour, and financial assumptions to identify areas of vulnerability.

Cost control and operational efficiency: By examining material consumption, production losses, overhead allocation, and budget variances, they can help identify inefficiencies and strengthen accountability.

Internal controls: Their understanding of financial processes can support the evaluation of controls over procurement, inventory, payroll, revenue recognition, expenditure, and financial reporting.

Strategic decision-making: Risk considerations can be incorporated into investment appraisal, pricing decisions, capital expenditure, product profitability analysis, and resource allocation.

Governance and reporting: Reliable financial and operational information helps management and boards make better-informed decisions and evaluate whether agreed objectives are being achieved.

Emerging business risks: CMAs can also contribute to the measurement and reporting of relevant sustainability-related and non-financial information, subject to applicable requirements and professional competence.

Nevertheless, expertise in finance and management accounting does not remove the need for independence and objectivity. A professional responsible for implementing or managing a control should not provide independent assurance over their own work without appropriate safeguards.

The value of the CMA lies in combining analytical expertise with ethical conduct, professional scepticism, and an understanding of how business decisions affect the organization as a whole.

5. Governance, Independence, and Three Lines Model

Effective corporate control depends on clearly defined responsibilities. Internal audit cannot compensate for management's failure to own risks, and a risk management department cannot take responsibility for every operational decision.
The Three Lines Model developed by The Institute of Internal Auditors helps clarify these relationships.

Operational management forms the first line by owning risks and implementing controls in day-to-day activities. Risk management, compliance, and related functions provide second-line expertise, monitoring, and support. Internal audit acts as the third line, providing independent and objective assurance on governance, risk management, and control processes.



The board and its committees provide oversight and challenge, while external auditors and other assurance providers may contribute additional perspectives.

Coordination among these participants can improve the coverage of significant risks and reduce unnecessary duplication. However, coordination should never weaken internal audit's independence or influence its conclusions.

A well-functioning governance structure ensures that significant weaknesses are reported to the appropriate level, corrective actions have clear owners, and unresolved matters receive the attention they deserve.

6. Building a Culture Where Risk Is Everyone's Responsibility

Policies, systems, and audit programmes are important, but corporate control ultimately depends on people.

An employee who notices suspicious vendor details, a manager who questions an unexplained cost increase, or a finance professional who challenges an unsupported assumption may prevent a much larger problem. Conversely, a culture in which employees remain silent, approvals are treated as formalities, or targets consistently outweigh ethical considerations can undermine even sophisticated control systems.

A healthy risk culture encourages people to raise concerns early, ask questions, report mistakes, and challenge inappropriate practices without fear of unfair retaliation.



Leadership plays a decisive role. Employees pay attention not only to formal policies but also to the behaviour that senior management rewards or tolerates. If management speaks about compliance but ignores control violations when financial targets are at stake, the actual culture will reflect those actions rather than the written policy.

Internal audit can evaluate whether responsibilities are understood, concerns are investigated, ethical standards are applied consistently, and repeated findings are addressed at their root.

The objective is to make risk awareness part of everyday decision-making rather than a responsibility remembered only during an audit.

7. Challenges and the Road Ahead

Despite the benefits of modern internal audit and integrated risk management, implementation is not without difficulty.Some organizations lack reliable data, suitable technology, or trained personnel. Others have fragmented reporting systems or treat audit recommendations as administrative tasks rather than opportunities to improve performance. Smaller organizations may also face resource constraints that make sophisticated technology difficult to implement.



The solution is not necessarily to adopt the most expensive tools or create elaborate procedures. It is to begin with the organization's most significant risks, strengthen essential controls, improve the quality of available information, and build capabilities gradually.

Audit functions should regularly assess whether their plans reflect current business risks rather than relying entirely on historical audit cycles. Professionals should develop their knowledge of analytics, cybersecurity, regulatory developments, and emerging technologies while retaining the foundational skills of evidence evaluation and critical thinking.

Most importantly, internal audit must maintain the right balance between being commercially aware and remaining independent. It should understand the pressures facing management and offer practical insights, but it must also be prepared to report uncomfortable findings when the evidence demands it.

Conclusion: Control That Creates Confidence

The changing DNA of corporate control is ultimately about moving beyond the idea that internal audit exists only to identify mistakes and risk management exists only to prevent losses.
Modern organizations need both functions to help them make informed decisions, respond to uncertainty, protect resources, and pursue sustainable growth.

Enterprise Risk Management provides a connected view of organizational exposure. Data analytics and artificial intelligence offer new ways to identify patterns and strengthen monitoring. Sound governance clarifies accountability, while professionals such as CMAs bring valuable financial and operational insight to the decision-making process.

Yet no framework or technology can replace integrity, accountability, and professional judgment.
The real measure of an effective control environment is not the number of policies written or audit reports issued. It is whether the organization recognizes risks early, responds honestly to weaknesses, learns from experience, and makes better decisions as a result.

When internal audit and risk management become integral to the way an organization thinks and operates, corporate control evolves from a compliance obligation into a source of confidence, resilience, and long-term value.



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Capacity Determination under CAS-2 (Revised 2024):
A Bottleneck-Based Approach for a Single Machine with Multiple Interchangeable Tools

Abstract

Cost Accounting Standard 2 (Revised 2024), "Capacity Determination," issued by the Institute of Cost Accountants of India, requires entities to state Installed Capacity, Normal Capacity and actual production in absolute terms and to disclose the basis on which each is derived. For single-product, single-tooling operations this is a straightforward exercise.

It is much harder where one machine runs several interchangeable moulds, dies or tools, each making a different product at a different rate. Stating capacity in pieces per hour then gives a different figure for every tool and destroys the comparability CAS-2 is meant to secure.

This article proposes a practical, standard-compliant solution: anchor capacity to the machine's rated throughput, its true physical constraint, expressed in a common unit such as weight, and treat tool-wise piece output as supplementary information. A worked illustration and a disclosure format are provided for practitioners preparing cost statements and cost audit reports.

Introduction

Capacity is the maximum output a machine or plant can produce in the production time available. It drives planning, scheduling, pricing and profitability, and is therefore central to cost accounting.
This article explains the capacity measures defined in CAS-2 (Revised 2024), shows why they are difficult to apply to a machine that runs several interchangeable moulds or tools, and sets out a practical, standard-compliant method, with a worked illustration, for determining and disclosing capacity in such cases.

Types of Capacity

Installed Capacity

Installed Capacity is the maximum capacity according to the manufacturer's specifications or an expert study; where specifications are unavailable, technical experts' estimates under ideal conditions are used (CAS-2, paras 4.6 and 5.2).

Practical Capacity

Practical Capacity is Installed Capacity reduced by predictable and unavoidable interruptions arising from internal causes (CAS-2, paras 4.1 and 5.3) — scheduled preventive maintenance, number of shifts, holidays and weekly offs, normal shutdown days and idle time, batch changeover and set-up time, loss in efficiency due to ageing of machines, and any other normal internal factor. External factors such as lack of orders are not considered.

Normal Capacity

Normal Capacity is the capacity achieved, or expected to be achieved, on an average over a number of periods or seasons under normal circumstances (CAS-2, paras 4.8 and 5.5). An average of three to five normal years may be considered, and periods influenced by abnormalities are excluded. It is the basis for absorbing fixed production overheads under CAS-3.

Actual Capacity Utilization

Actual Capacity Utilization is the capacity actually achieved during the period under review, expressed as a percentage of Installed Capacity (CAS-2, para 4.2).

Idle Capacity

Idle Capacity is the shortfall between Installed Capacity and Actual Capacity Utilization (CAS-2, para 4.5). It is analysed into normal and abnormal idle capacity, because the cost of abnormal idle capacity is charged off rather than included in product cost.

Capacity determination

Capacity determination is more than a compliance formality. Capacity is the denominator used to spread fixed overheads over production, and the resulting product cost drives pricing, profitability analysis and cost audit reporting. For example, fixed overheads of ₹50 lakh spread over a capacity of 1,000 MT give a rate of ₹5,000 per MT; if the same overheads are spread over 800 MT, the rate rises to ₹6,250 per MT. Overstate capacity and products appear cheaper than they are; understate it and the cost of idle time is buried in product cost. CAS-2, first issued in 2002 and revised in 2012, 2015 and 2024, sets the rules.

CAS-2 (Revised 2024): The Governing Framework

CAS-2 (Revised 2024) replaced the 2015 version for periods beginning on or after 1st April 2024, that is, from financial year 2024-25. It governs cost statements, including those certified by a CMA, wherever capacity is needed to assign overheads, and may be used for other purposes such as budgeting.

Two provisions matter most for multi-tool machines. Para 5.1 requires capacity to be determined "in terms of units of production or services or equivalent machine or man hours," so a common unit other than finished pieces is permitted. Para 5.2(c) requires bottlenecks to be given due consideration while determining Installed Capacity, and para 5.5, Explanation 1, requires equivalence to be established where the same products are made in different specifications, sizes or types. Together, these provisions point towards a common, constraint-based unit of capacity.

The Multi-Mould Problem

Injection moulding is a clear example. Molten plastic is injected into a mould, cooled and ejected as a finished piece. Because the mould, not the machine, gives the product its shape, one machine can make quite different products simply by changing the mould, each with its own cavities, product weight and cycle time. Consider one machine and three moulds, switched as customer orders change through the year:

- a 48-cavity mould producing a 25-gram preform on a 14-second cycle;
- a 96-cavity mould producing a 12-gram preform on an 11-second cycle; and
- a 146-cavity mould producing an 8-gram preform on a 9.5-second cycle.

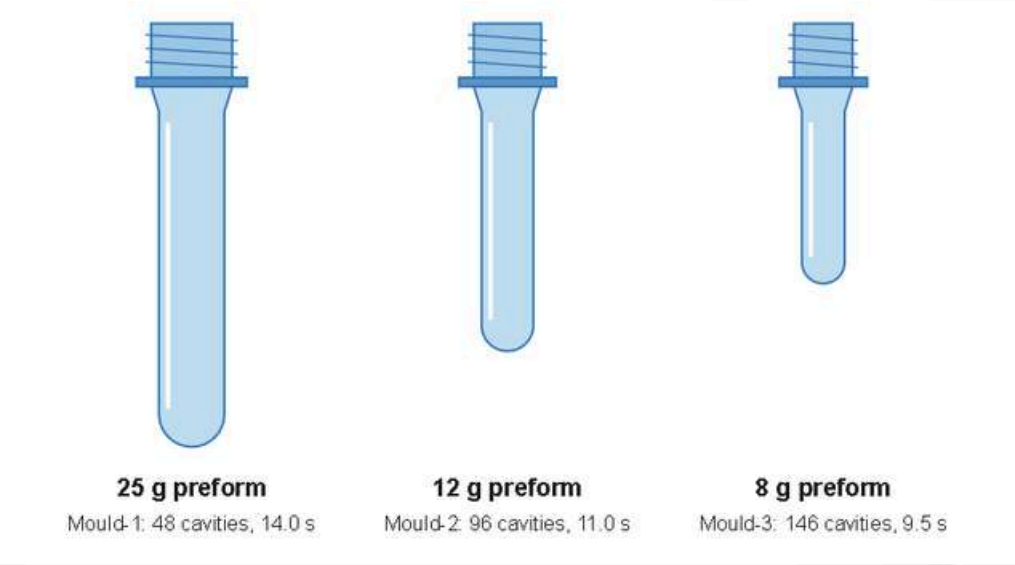


Figure 1: Three PET preforms of different weights produced on the same machine by changing the mould.

Work out each mould's output in the usual way (cavities × 3,600 ÷ cycle time in seconds) and you get 12,343, 31,418 and 55,326 pieces per hour. Same machine, same operators, same shed, yet three capacity figures, the highest about 4.5 times the lowest. Which one belongs in the cost statement?

None of them can be Installed Capacity. A piece figure is valid only while its own mould is fitted, and piece rates do not measure what the machine can physically sustain. The mould sets the number of pieces per shot; the machine sets how much resin can be melted per hour. This plasticizing rate (kg/hr) is fixed by the screw, barrel and drive, and does not change when the mould changes.

Converted to weight, the three moulds call for 308.6, 377.0 and 442.6 kg of resin per hour, against a machine plasticizing rate of 250 kg/hr (Table 1). Every mould demands more melt than the machine can supply, so the machine, not the mould, limits output: it is the 'Bottleneck' within the meaning of CAS-2 (Revised 2024), para 4.3.

A Bottleneck-Based Determination Framework

The framework proposed here follows directly from para 5.1's 'equivalent machine hours' language and proceeds in four steps.

- Step 1 – Establish the physical constraint. Take the machine's rated throughput from the OEM data sheet (for moulding, the plasticizing rate in kg/hr), rated for the material actually processed.
- Step 2 – Convert each mould's theoretical output to weight terms. Multiply each mould's theoretical pieces per hour by the piece weight to get kg/hr, directly comparable with the machine's rating.
- Step 3 – Cap at the machine rate. Achievable output is the lower of the mould rate and the machine rate. Usually the machine limits output; for low-cavity, heavy-part moulds the mould itself may be the bottleneck. Check every mould.
- Step 4 – State Installed Capacity in weight terms. Installed Capacity = machine rate × operating hours per day × calendar days. The figure holds whichever mould is fitted; where a mould is the bottleneck, use its lower rate for the hours it is planned to run.

Table 1 illustrates the mould-wise analysis for the three-mould example, assuming a machine plasticizing rate of 250 kg per hour.

Mould	Cavities	Preform Wt (g)	Cycle Time (s)	Theoretical Output (kg/hr)	Machine Rate (kg/hr)	Capped Output (kg/hr)	Bottleneck
Mould-1	48	25	14.0	308.6	250	250.0	Machine
Mould-2	96	12	11.0	377.0	250	250.0	Machine
Mould-3	146	8	9.5	442.6	250	250.0	Machine

Table 1: Mould-wise bottleneck analysis — all three example moulds are machine-constrained at the assumed plasticizing rate.

Here all three moulds are machine-constrained, so Installed Capacity rests on a single, stable rate of 250 kg/hr whichever mould is in use.

Converted to weight, the three moulds call for 308.6, 377.0 and 442.6 kg of resin per hour, against a machine plasticizing rate of 250 kg/hr (Table 1). Every mould demands more melt than the machine can supply, so the machine, not the mould, limits output: it is the 'Bottleneck' within the meaning of CAS-2 (Revised 2024), para 4.3.

Worked Illustration — From Installed to Normal Capacity

The arithmetic below can be replicated on any plant's own machine and tool data.

Step 1 — Installed Capacity

Per CAS-2 para 5.2, Installed Capacity applies the machine's rated plasticizing capacity to the full year at 24 hours a day.
Installed Capacity (kg/yr) = Plasticizing Rate (kg/hr) × Operating Hours/Day × Calendar Days/Year
= 250 kg/hr × 24 hrs/day × 365 days/year
= 250 kg/hr × 8,760 hrs/year
= 2,190,000 kg/year = 2,190 MT/year

Step 2 — Downtime Deductions and Effective Operating Days

Under para 5.3, predictable internal interruptions are deducted:

- Weekly offs: 52 days/year
- Scheduled preventive maintenance: 12 days/year
- Holidays / normal shutdown: 8 days/year
- Mould changeover / setup time (para 5.3(iv)): 5 days/year

Total Downtime = 52 + 12 + 8 + 5 = 77 days/year
Effective Operating Days = Calendar Days − Total Downtime
= 365 − 77 = 288 days/year

Step 3 — Practical (Achievable) Capacity

Practical Capacity (kg/yr) = Plasticizing Rate × Operating Hours/Day × Effective Operating Days
= 250 kg/hr × 24 hrs/day × 288 days
= 250 kg/hr × 6,912 hrs = 1,728,000 kg/year (1,728 MT/year)

Step 4 — Normal Capacity

Under para 5.5, Normal Capacity is the average achievable output over three to five normal years, excluding abnormal years. FY 2024-25, affected by flooding, is excluded.

Financial Year	Achievable Output (MT)	Included in Average?
FY 2022-23	1,650	Yes
FY 2023-24	1,720	Yes
FY 2024-25	980	No — flood-affected (abnormal year, excluded per para 5.5)
FY 2025-26	1,725	Yes

Table 2: Historical achievable output used to compute Normal Capacity; the flood-affected year is excluded per para 5.5.

Normal Capacity (MT/yr) = Sum of Achievable Output in Normal Years ÷ Number of Normal Years
= (1,650 + 1,720 + 1,725) ÷ 3
= 5,095 ÷ 3 = 1,698.3 MT/year

Step 5 — Actual Production, Utilization, and Idle Capacity

Actual production in FY 2026-27 was 600, 650 and 450 MT from the three moulds, with no outsourced production.

Total Actual Production = 600 + 650 + 450 + 0 = 1,700 MT
Utilization is measured against Installed Capacity (para 6.2):
Actual Capacity Utilization (%) = (Total Actual Production ÷ Installed Capacity) × 100
= (1,700 ÷ 2,190) × 100 = 77.63%

Idle Capacity is the shortfall of actual production below Installed Capacity:
Idle Capacity = Installed Capacity − Total Actual Production (where positive)
= 2,190 − 1,700 = 490 MT

Excess Capacity Utilization is nil, since actual production is below Installed Capacity. Normal idle capacity is Installed less Normal Capacity (2,190 − 1,698.3 = 491.7 MT). As actual production exceeds Normal Capacity, all 490 MT of idle capacity is normal, and no fixed overhead is charged off as abnormal cost under CAS-3. The mould-wise piece rates in Table 1 remain supplementary MIS.

Presentation and Disclosure

Paras 6 and 7 of CAS-2 (Revised 2024) prescribe both presentation and disclosure. Installed Capacity, Normal Capacity and actual production must be presented in absolute terms, with utilization shown as a percentage of Installed Capacity. Where material, disclosures cover the basis of each figure, changes in capacity with reasons, outsourced capacity and production, reasons for low utilization, and abnormal costs of under-utilization. Table 3 shows the resulting extract.

Particulars	Quantity (MT/year)
Installed Capacity	2,190.0
Practical / Achievable Capacity	1,728.0
Normal Capacity (3-year average)	1,698.3
Total Actual Production	1,700.0
Actual Capacity Utilization (% of Installed)	77.6%
Idle Capacity	490.0

Table 3: CAS-2 disclosure extract for the illustrative machine (paras 6.1, 6.2 and 7.1).

A mould-wise schedule of piece output and bottlenecks is useful MIS and supports the disclosure on utilization, but the basis for overhead absorption remains the weight-based Normal Capacity, consistent with CAS-3.

Practical Recommendations

- Obtain material-specific throughput ratings from the machine OEM; where none exist, a documented technical trial is better than an assumed de-rating.
- Treat major overhauls, replacement of key components and material changes as triggers for reassessment under para 5.4.
- Keep a live tool register (cavities or parts per stroke, piece weight, cycle time, throughput); it is the main evidence for the para 7.1(a) disclosure on basis of capacity.
- Check, tool by tool, whether the machine or the tool is the constraint, and disclose a tool-side bottleneck separately.
- Where several machines share a tool family, aggregate at plant level on the same common-unit basis to avoid double counting.

Conclusion

CAS-2 (Revised 2024) prescribes no formula for multi-tool machines, but paras 5.1, 4.3, 5.2(c) and 5.5 (Explanation 1) together point to one answer: anchor capacity to the constraint that does not change when the tool changes, and express it in a common unit rather than in the piece output of any single tool.

The principle is not confined to plastics. The same situation arises wherever one machine makes different products by changing its tooling: power presses and stamping lines changing dies, pressure die-casting and forging machines, extrusion lines changing dies, tablet compression machines changing punch sets, and printing or packaging machines changing cylinders or formats. The common unit will differ from industry to industry (kilograms of melt for moulding and die-casting, press strokes or tonnes for stamping and forging, metres or kilograms for extrusion, machine hours for tablet compression and printing), but the method stays the same.

Identify the machine's rated constraint, convert each tool's output into that unit, take the lower of the tool rate and the machine rate, and state Installed, Practical and Normal Capacity on that basis.

The result is an Installed Capacity figure that is stable across tool changes, comparable between periods and defensible before a cost auditor. As more Indian manufacturers come within the cost audit net and prepare for public listing, a documented, standard-aligned capacity method of this kind is likely to move from good practice to an expected part of the cost records maintained under the Companies (Cost Records and Audit) Rules, 2014.

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Beyond Boundaries
"When Women Connect, Innovation Takes Flight"

Sometimes, a simple conversation becomes the beginning of something extraordinary. When ideas find the right expertise and opportunities meet talent, the results can create an impact far beyond expectations.

Jawaharlal Nehru Port Authority (JNPA) has achieved a proud milestone by receiving the CII National Award for Artificial Intelligence (AI). Beyond the recognition itself, what makes this achievement particularly meaningful is the journey of an idea —from its conceptualisation to implementation, institutional acceptance and recognition at the national level.



For Ms Rajashree Dabke General Manager Finance at JNPA, the experience has been especially gratifying. She had conceptualised ideas around the use of Artificial Intelligence for JNPA, but She had never imagined that these ideas would eventually receive recognition at a national platform. This journey reinforces a powerful belief: innovation does not always begin in a technology laboratory; sometimes, it begins with an idea, a conversation and the willingness to explore new possibilities.

The Beginning: A Women's Day Conversation

The story has an interesting connection with a Women's Day programme organised **by the Women's Task Force Committee** WIRC on 8th March 2025.



As part of the programme, women participants were encouraged to share their professional journeys, experiences, achievements and areas of work. The objective was not merely to celebrate women's accomplishments, but also to discover the diverse skills, knowledge and expertise that women professionals bring to the table.

It was during this interaction that CMA Ms. Pradnya Chandorkar spoke about her work in Artificial Intelligence. Recognising the relevance of her expertise to the ideas being conceptualised for JNPA, an opportunity for collaboration emerged.

What began as a sharing of professional experiences on Women's Day soon developed into a meaningful professional association. It was a reminder that networking is not simply about exchanging business cards or making introductions; it is about recognizing capabilities, building trust and bringing the right people together to transform ideas into action.

From Conceptualisation to Implementation

Of the three AI modules developed for JNPA, two were prepared by CMA Ms. Pradnya Chandorkar. Her contribution brought together technical expertise and the vision behind the proposed initiatives.

The journey demonstrates the importance of collaboration across areas of professional competence. While the conceptualisation of an initiative provides direction, its successful implementation requires the right expertise, practical understanding and commitment to execution.

The CII National Award is therefore not merely a recognition of an achievement; it is an encouraging milestone in the journey of translating ideas into practical, scalable solutions.

A Proud Moment for the CMA Profession

One of the most encouraging aspects of this achievement is the contribution of two women Cost and Management Accountants from WIRC, alongside CMA Shri Sandip Virnarayan, Senior Manager at JNPA, and Ms Netra Makhija, Management Trainee at JNPA. Each contributed in a different yet complementary capacity, demonstrating how diverse professional skills, collaborative efforts and cross-functional teamwork can come together to drive innovation and create meaningful impact.

This initiative illustrates how professional knowledge, innovative thinking and collaboration can come together to create value. It also reminds us that opportunities for CMAs can emerge in unexpected places when we remain curious, recognise new capabilities and are willing to work across disciplines.

The Larger Message: Creating Platforms, Discovering Talent

The story also highlights the importance of professional forums and initiatives that encourage women to share their journeys.

When women speak about their work, their ambitions and their areas of expertise, they create opportunities for others to recognise their potential. A conversation can lead to a connection; a connection can lead to collaboration; and collaboration can lead to an achievement that benefits institutions and society at large.

This is the larger purpose of initiatives undertaken by Women's Task Force Committee —not merely to celebrate women on special occasions, but to create meaningful platforms for professional growth, mutual support, innovation and leadership.

The Women's Day interaction provided the setting for this connection, while the subsequent collaboration demonstrated what can happen when talent is recognised and given an opportunity to contribute.

Looking Ahead

For women professionals, the message is equally significant: share your journey, speak about your work, make your expertise visible and remain open to collaboration. We never know which conversation may lead to the next opportunity.

An idea can create a possibility. The right collaboration can turn that possibility into reality. And when professional talent is recognised and empowered, the impact can reach the national stage.

When women connect, ideas grow, opportunities emerge and innovation takes flight.

Beyond Boundaries
Transparent Consumer Dispute Redressal Is Necessary

DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION, THANE directs TCL India to compensate consumer and publish a comprehensive grievance redressal matrix

Case: CA Rakesh Daftary v. TCL India Holdings Private Limited
Consumer Complaint No.: CC/26/2022
Forum: District Consumer Disputes Redressal Commission, Thane
Date of Order: 20 March 2026

Executive Summary:

The District Consumer Disputes Redressal Commission, Thane, in CA Rakesh Daftary v. TCL India Holdings Private Limited, Consumer Complaint No. CC/26/2022, decided on 20 March 2026, has delivered a significant order addressing both individual consumer grievance and systemic deficiencies in corporate grievance redressal. The Commission found deficiency in service and unfair trade practice arising from failure to provide effective warranty service despite repeated complaints and intervention through the Government's Public Grievances Portal. Besides directing replacement/refund, compensation and interest, the Commission directed TCL India to formulate and publicly display a comprehensive Grievance Resolution Matrix specifying responsible officers, resolution timelines and escalation mechanisms. It further recommended that regulatory and consumer affairs authorities consider extending such requirements across entities engaged in providing products or services to consumers.

Introduction

A consumer dispute arising from a defective television has resulted in a wider direction aimed at strengthening grievance redressal mechanisms for consumers.

In CA Rakesh Daftary v. TCL India Holdings Private Limited, Consumer Complaint No. CC/26/2022, the DistrictConsumer Disputes Redressal Commission, Thane, vide its order dated 20 March 2026, held the opposite party guilty of deficiency in service and unfair trade practice.

While directing reliefto the complainant, the Commission also issued a systemic direction requiring the opposite party to formulate and prominently publish a comprehensive Grievance Resolution Matrix, setting out the hierarchy of grievance redressal officers, timelines for resolution and escalation mechanisms available to consumers.

The order therefore assumes significance not merely as a remedy in an individual consumer dispute, but also for its emphasis on making grievance redressal mechanisms transparent and accessible to consumers.

The Dispute: A Defective Television and Unresolved Grievance

The complainant had purchased a television manufactured by TCL India Holdings Private Limited for a consideration of Rs. 9,500.

Soon after the purchase, the television developed a technical defect relating to its sound box. The complainant lodged a formal complaint with the company on 18 October 2021, during the warranty period.

Despite repeated follow-ups with the customer-care team and submission of written reminders, the grievance remained unresolved. The complainant thereafter escalated the matter through the Public Grievances (PG) Portal of the Government of India.
According to the complaint, reminders were also issued to the company through the PG Portal, but the grievance still did not receive an effective resolution.

The complainant consequently approached the District Consumer Disputes Redressal Commission, Thane, seeking appropriate relief.

The Opposite PartyProceeded Ex Parte

The complaint was admittedand notice was issued to TCL India Holdings PrivateLimited.

Despite service of notice and opportunities grantedby the Commission, the oppositeparty neither appeared before the Commission nor filed a written version or reply.
The matter consequently proceeded ex parte.

In the absence of any defence or explanation from the opposite party, the Commission considered the complaint, documents placed on record and submissions advanced on behalf of the complainant.

Commission Holds the Complaint Maintainable

The Commission first considered whether the complaint had been filed within limitation and whether it had jurisdiction to entertain the matter.

It observed that the complainant qualified as a consumer under Section 2(7) of the Consumer Protection Act, 2019, having purchased the television for personal use.
The Commission further held that the services availed by the complainant fell within the scope of the legislation.

Since the complainant resided at Dombivli, which fell within the territorial jurisdiction of the District Consumer Disputes Redressal Commission, Thane, the Commission held that it possessed the requisite jurisdiction.
The Commission also found that the complaint was filed within the prescribed period of limitation.
Accordingly, Point No. 1 was answeredin the affirmative.

Failure to Address a Warranty ComplaintAmounted to Deficiency in Service

The central issue before the Commission was whether TCL India had committed deficiency in service and unfair trade practice.

The Commission noted that the television developed a technical defect shortly after purchase and that the complainant had raised the grievance during the warranty period.

The complainant had made multiple attempts to obtain service from the company, including written reminders. The matter was subsequently escalated through the Government's Public Grievances Portal, which also issued reminders to the oppositeparty.

Despite theseefforts, the defectwas not satisfactorily addressed.

The Commission held that the conduct of the oppositeparty in failingto address the defect during the warranty period, ignoringrepeated communications from the complainant and disregarding reminders issued through the PG Portal constituted deficiency in service within the meaning of Section 2(11) of the Consumer Protection Act, 2019.

The Commission accordingly answered Point No. 2 in the affirmative.

From Individual Relief to Systemic Consumer Protection

The most significant aspect of the order goes beyond the replacement or refund of the defective television.

The Commission directed TCL India to formulate a comprehensive Grievance Resolution Matrix clearly setting out:

- the hierarchy of grievance redressal officers;
- timelines for resolution at each level;
- mechanisms available for escalation; and
- the mannerin which consumers could pursue unresolved grievances

The Commission further directed that the Grievance Resolution Matrix be prominently published on the company's:

- official website,
- product packaging,
- warranty cards and
- at all authorised servicecentres.

The direction was requiredto be implemented within 60 days from the date of the order.

This direction is particularly significant because a consumer's difficulty often does not end with identifying a product defect. The practical challenge may be knowing whom to approach, how long the grievance should take to resolve and whatescalation mechanism is available if the first level of customer support fails.

The Commission Recognises the Need for Accessible GrievanceMechanisms

The order also records the Commission's concernregarding systemic deficiencies observed in the matter. Rather than limitingthe remedy exclusively to the individual transaction, the Commission recommended that the concernedregulatory and consumerauthorities take cognizance of such systemic deficiencies and consider appropriate directions to entities engaged in the sale of products or services to consumers.
The Commission specifically contemplated requiring such entities to display a Grievance Resolution Matrix in a manner accessible to the public.

The significance of this observation lies in its consumer-centric approach: grievance redressal should not merely exist internally within an organisation; consumers should be able to identify the responsible authority and understand the escalation pathway.

Relief Granted to the Complainant

Having found deficiency in service and unfair trade practice, the Commission partly allowed the complaint. TCL India HoldingsPrivate Limited was directed to:

- Replace the defective television with a new working television set of the same or similar constitution; or alternatively refund Rs. 9,500, being the purchase price of the defective television, within 30 days from the date of the order.
- Pay Rs. 10,000 as compensation towards harassment, mental agony, loss of time and resources and costs associated with pursuing the complaint, within 30 days.
- Pay interest at 9% per annum in accordance with the termsstated in the operative order, in the event of failure to comply within the stipulated period.
- Formulate and publish the comprehensive Grievance Resolution Matrix within 60 days in the manner directed by the Commission.

The complaint was accordingly allowed.

Why This Order Matters

The order illustrates an important aspect of consumer jurisprudence: effective consumer protection is not confined to compensation after a disputearises; it also requires accessible mechanisms for preventing grievances from remaining unresolved.
For consumers, the order reinforces the importance of:

- retaining purchaseinvoices and warrantydocuments;
- recording complaints made to customer-care departments;
- preserving writtencommunications and reminders;
- using available escalation mechanisms;

- maintaining recordsof complaints lodgedon government grievance portals; and
- approaching the appropriate consumer forum when genuine grievances remain unresolved.

For businesses, the order highlights the importance of having a clearly structured and publicly accessible grievance redressal mechanism, particularly where products are sold and serviced on a large scale.

A transparent escalation mechanism can also help businesses resolve genuine complaints at an early stage and reduce unnecessary litigation.

Conclusion

The order of the DistrictConsumer Disputes Redressal Commission, Thane, demonstrates how an individual consumer complaint can raise issues having wider implications for consumer grievance redressal.

The Commission not only granted relief in relation to the defective television but also directed the formulation and public disclosure of a structured grievance-resolution mechanism.

The requirement to disclose the hierarchy of grievance officers, resolution timelines and escalation channels on websites, warranty documents, packaging and authorised service centres seeks to make the grievance process more transparent and accessible.

The order thus carries significance beyond the individual dispute and highlights the broader objective of consumer law—to ensure that consumers have not only rights, but also a practical and identifiable pathway to enforce those rights.

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DISTRICT CONSUMER DISPUTESREDRESSAL COMMISSION, THANE ORDER DATED 20-MARCH-2026, RECEIVED ON 29-JULY-2026 (ATTACHED)



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MY SOLO TRIP TO INDONESIA 🇮🇩
NINE DAYS OF FREEDOM, ADVENTURE & UNFORGETTABLE MEMORIES

I planned my entire Indonesia trip in just two days. No perfect itinerary, no tour group and no waiting for anyone—just my passport, a backpack and the excitement of discovering a new country on my own.
Indonesia became my fourth international solo trip, taking me across four destinations, each with its own character:

- LOMBOK — for its offbeat charm, nature and quieter surroundings.
- GILI TRAWANGAN — for island life, beaches and beautiful sunrises and sunsets.
- BALI — for its iconic coastline, temples and water adventures.
- JAKARTA — a practical flight connection from Mumbai and a chance to explore city life and history.

My travel philosophy was simple: plan 50% of the journey and leave the other 50% open to spontaneous decisions. From arranging my e-Visa and travel insurance to booking hostels, preparing documents and navigating immigration alone, every step became part of the adventure.
“You don’t need everything figured out before you leave. You just need the courage to take the first step.”

Day 1: The Beginning of My Solo Adventure

22nd September 2026 I took a flight from Mumbai to Jakarta. This flight got delayed hence I missed my domestic flight from Jakarta to Lombok. Hence I decided to stay at hostel at Jakarta airport. The hostel was well comfortable for my overnight stay until my next flight o Lombok from Jakarta on 23rd September 26.

Lesson: For a solo traveler, backup plan should always be there in case of change in situation.

Day 2 | Jakarta to Lombok — Into Nature 🌿
Lombok to Gili Trawangan

23 September 2026 began with a domestic flight from Jakarta to Lombok, lasting around 2 hours and 15 minutes. My hostel was far from the airport, but its forest-like setting, peaceful atmosphere and pleasant weather made it feel worth the journey.
After resting, I trekked through the nearby Monkey Forest with my hostel roommate. Later, over a cup of coffee, I set out for the rice terraces. The walk took around three hours. Guides were available for anyone unsure of the route, but I chose to explore independently.



Days 3 & 4 | Gili Trawangan — Slow Island Days 🏝️

I booked my boat transfer through 12Go and enjoyed the views along the way. My hostel was about 250 metres from the beach, making it easy to spend time by the sea.
For two nights, I enjoyed beach activities, sunrise and sunset, and the relaxed island atmosphere. There was no pressure to rush from one attraction to another—just sea breezes, beautiful views and time to enjoy the moment.



Bali — From Ocean Adventures to Temples

Day 5 | Gili Trawangan to Bali 🌊

I booked my boat transfer to Bali through 12Go. After arriving, I checked into Bali Boobo Hostel, around 300 metres from the beach. Bali brought a new energy to the journey, and scuba diving and other water sports became the highlights of the day.



Day 6 | Local Bali — Temples & Freedom 🛕

Bali is more than beaches. I spent the day exploring local sights and temples, using Gojek to arrange transport. Travelling independently meant I could move at my own pace, spend longer at places I liked and make decisions as the day unfolded.
The contrast made Bali special: spiritual spaces, lively local surroundings, beautiful landscapes and adventure all in one destination.

Days 7–9 | Jakarta — History & City Life 🏙️

On Day 7, I flew from Bali to Jakarta and checked into a hostel around 1.5 hours from the airport. After several days on islands, the busy capital offered a completely different atmosphere.
On Day 8, I explored local attractions using the TransJakarta bus system. Staying in the Old Town area gave me access to historic streets, architecture, temples, statues and other cultural sights. On Day 9, I returned to the Old Town for a final walk and some shopping before heading to the airport at night.

What Solo Travel Taught Me 🎒

Independence builds confidence. Managing airports, bookings and transport, visa helps you learn to trust yourself.
A perfect itinerary isn't necessary. Plan the essentials, then leave room for unexpected discoveries.
Hostels can bring people together. You may travel alone but still meet fellow travellers who become part of the story.
Every place has a different lesson. Lombok offered nature, Gili Trawangan island life, Bali adventure and culture, and Jakarta history and city experiences.

Practical Tips for Indonesia

- Check visa requirements and keep your passport, visa, accommodation details, onward ticket and travel insurance information accessible.
- Compare domestic flights and boat transfers, including departure points, baggage rules and timings.
- Choose hostels with good reviews, convenient locations and secure facilities.
- Check Grab and Gojek availability in each destination; transport options vary by island.

Indonesia — More Than a Destination 🇮🇩

Nine days, four destinations and countless memories. I explored forests, walked through rice terraces, enjoyed beaches and water sports, discovered temples and navigated unfamiliar places on my own.
The greatest achievement was not the number of places I visited. It was the confidence I gained along the way.

I planned 50% of the journey. Indonesia gave me the other 50%.

Indonesia, thank you for the memories. ❤️

Solo travel is not about being alone. It is about discovering how much you can do on your own.

CHAPTER NEWS

NASHIK

CPE on Artificial Intelligence

Chapter organised a Continuing Professional Education (CPE) programme on Artificial Intelligence (AI), the topic was "How Do We Make AI Our Good Associate, Without Fearing It?" held on 8th September 2026 at the Seminar Hall, Bhonsala College, Gangapur Road, Nashik. The programme was attended by CMA members and students, providing an opportunity to explore the growing role of AI in professional practice.

The eminent speaker CMA Dr. Girish Jakhotiya, International Management Consultant and Economist, Mumbai, shared valuable insights into the practical applications of Artificial Intelligence and its growing relevance in the professional world. He highlighted how AI can be used as a supportive tool to enhance productivity, improve decision-making and strengthen professional capabilities. The session encouraged participants to embrace AI as an associate that complements human intelligence rather than as a technology to be feared.

The Vote of Thanks was delivered by CMA Amit Jadhav, Chairman of the Professional Development (PD) Committee, ICMAI Nashik Chapter, who expressed gratitude to the speaker and all participants for their valuable contribution to the programme.

SAMRUDDHI – Sustainability Simplified' Conclave

ICMAI Presents an Approach Note for Sustainable Planning of the Kumbh Mela

The Sustainability Standards Board (SSB) of The Institute of Cost Accountants of India (ICMAI), in association with the ICMAI Nashik Chapter, successfully organised 'SAMRUDDHI – Sustainability Simplified', a special professional conclave on 2nd October 2026 at BLVD Hotel, Nashik. The central theme of the conclave was 'From Kumbh to Sustainability: Values, Commitment and Conservation' (कुंभातून शाश्वततेकडे : संस्कार, संकल्प आणि संवर्धन).

The inaugural session was graced by Shri Girish Mahajan, Hon. Minister for Water Resources, Kumbh Mela and Disaster Management, Government of Maharashtra, and Guardian Minister of Nashik; Smt. Himgauri Aher-Adke, Hon. Mayor, Nashik Municipal Corporation; Shri Shekhar Singh, IAS, Kumbh Mela Commissioner, Nashik; CMA Chittaranjan Chattopadhyay, President, ICMAI; CMA Mahendra Bhombe, Chairman, WIRC of ICMAI; CMA Mayur Nikam, Chairman, ICMAI Nashik Chapter and CMA Dr. Ashish Thatte, Chairman, Sustainability Standards Board, ICMAI. The dignitaries shared their perspectives on professional excellence, sustainability and responsible development.

The welcome address was delivered by CMA Mayur Nikam, Chairman of the Chapter, while CMA Chaitanya Moharir administered the sustainability pledge. Dr. Ranjit Krishnan delivered an insightful session on 'Sustainability Imperative'.

Smt. Himgauri Aher-Adke and Shri Shekhar Singh appreciated the significant contribution of Cost and Management Accountants (CMAs) across industries and various professional sectors. They highlighted the importance of financial discipline, cost management and efficient utilisation of resources in planning and organising the forthcoming Kumbh Mela, emphasising the valuable role that CMA professionals can play in these areas.

ICMAI Presents an Approach Note for the Kumbh Mela

In a significant initiative, ICMAI presented an Approach Note to Shri Girish Mahajan, Smt. Himgauri Aher-Adke and Shri Shekhar Singh, outlining how ICMAI and CMA professionals can contribute to the planning and execution of the Kumbh Mela through sustainability practices, effective cost management, efficient resource utilisation and professional expertise.

MoU Signed with Bhosala College

On the occasion, a Memorandum of Understanding (MoU) was signed between Bhonsala College, operated by CHMES, and ICMAI. The collaboration aims to promote educational initiatives, professional skill development, sustainability awareness and programmes that connect students with the professional world.

The technical sessions featured distinguished speakers, including CMA Dr. Aditi Dasgupta, Shri Prashant Bachhav, Dr. Preeti Kulkarni, CS Makarand Lele and CMA Saha, who shared their expertise on various aspects of sustainability. The discussions highlighted that sustainability extends beyond environmental protection and is closely linked to business, the economy, governance and social development.

A panel discussion on sustainability featured CMA Hemant Deshpande, Dr. Ranjit Krishnan, CS Makarand Lele, Shri Nitin Dhage, Shri Girish Pagare and CA Piyush Chandak. The panel explored diverse perspectives on integrating sustainability into professional practices and organisational decision-making.

The programme was compered by CMA Chaitanya Moharir and CMA Maithili Malpure. The vote of thanks was delivered by CMA Santosh Brahmankar, Secretary Nashik Chapter.

The successful organisation of the conclave was made possible through the dedicated efforts of CMA Arpita Fegde, CMA Amit Jadhav, Chairman of the Professional Development Committee, CMA Mayur Nikam - Chairman Nashik Chapter, CMA Santosh Brahmankar - Secretary-Nashik Chapter, all Managing Committee members of the ICMAI Nashik Chapter.

SAMRUDDHI 2026 reaffirmed ICMAI's commitment to promoting sustainable business practices and strengthening the contribution of Cost and Management Accountants towards responsible development, particularly in the context of the upcoming Kumbh Mela in Nashik.

Career Guidance Programmes

Chapter, conducted career guidance programmes at educational institutions in the Nashik region on Thursday, 17th September 2026, to create awareness about the Cost and Management Accountancy (CMA) profession and its career opportunities.

The programmes were organised at:

1. MVP Samaj's Shri Swami Shatkopacharyaji Maharaj (SSSM) Arts, Science and Commerce College, Saikheda.
2. Rayat Shikshan Sanstha's New English School and Junior College, Chandori.

During the sessions, CMA Amit Jadhav -Managing committee member and Chairman of PD Committee introduced students to the CMA course offered by The Institute of Cost Accountants of India (ICMAI). He explained the course structure, eligibility criteria, examination stages, career prospects and opportunities available to qualified Cost and Management Accountants in industry, finance, costing, taxation, auditing and management.

He also highlighted the importance of professional qualifications, practical knowledge and skill development in building a successful career. The sessions encouraged students to explore the CMA profession as a promising career option and make informed decisions about their future.

The initiatives reflect the ICMAI Nashik Chapter's continued commitment to career awareness, student outreach and the promotion of the CMA profession among young aspirants.

First Batch of CAT Course for Defence Personnel

Nashik, 10 October 2026: The Nashik Chapter of The Institute of Cost Accountants of India (ICMAI) has successfully completed the Certificate in Accounting Technicians (CAT) Course (Course No. 164-06-2026) for retiring and retired Defence personnel. The first batch of the course was conducted from 22 June 2026 to 09 October 2026 at the ICMAI Nashik Chapter, Nashik, under the aegis of the Directorate General Resettlement (DGR), Ministry of Defence, Government of India.

The course was designed to equip the Armed Forces with essential accounting, taxation, computer, and employability skills to facilitate their transition into civilian employment and professional opportunities.

The training programme covered key areas such as Financial Accounting, Business and Industrial Laws, Statutory Compliance, Microsoft Computer Fundamentals, Tally ERP 9, e-Filing, Costing and Preparation of Cost Statements, and Employability Skills. The programme combined theoretical learning with practical knowledge to enhance the participants' professional competencies and career readiness.

The successful completion of this first batch marks an important milestone for the ICMAI Nashik Chapter in its efforts to support the resettlement and career advancement of Defence personnel through skill development and professional education.

The Valedictory Session was held on 09 October 2026 at the Nashik Chapter, during which certificates of completion were distributed to the participants. A senior official from the Directorate General Resettlement joined the session virtually and addressed the candidates, encouraging them to utilise their newly acquired skills for successful career opportunities after their service in the Armed Forces.

Through this initiative, ICMAI Nashik Chapter reaffirms its commitment to empowering Defence personnel with industry-relevant skills and creating opportunities for their successful transition into civilian professional life.

PUNE

Two Days Residential Program – Bhor. Pune

Chapter organized a Two Days Residential Programme on the theme "Direct Tax & Indirect Tax" on 1st and 2nd August 2026 at Kunjwan Resort, Bhor.

The programme featured a series of insightful technical sessions covering contemporary and emerging areas of taxation. The topics included The New Income-tax Act, Tax Audit & Business Taxation, Income-tax Practice in Action, Litigation-Prone Areas Post 2026, Top GST Litigation Case Studies, GST from Industry Perspective, and Artificial Intelligence for Tax Professionals.

On the first day, the sessions were conducted by distinguished speakers CA Anish Chitale, CA Kiran Kunte, CMA Amit Shahane, CMA Dr. S. R. Bhargave, CMA Dipak Joshi, and Mr. Atul Deodikar, who shared their valuable knowledge and practical experiences with the participants.

The second day featured expert sessions by CMA Makarand Karve, CMA Purvi Kothari, CMA Rajesh Goud, CS Kanttilal Tekane, CMA Pradhnya Chandorkar, and CMA Chaitany Mohrir. Their presentations provided in-depth insights into various aspects of direct and indirect taxation, along with recent developments and practical challenges faced by professionals.

The programme witnessed enthusiastic participation from around 40 members, who actively engaged in the discussions and interactive sessions. The residential programme provided an excellent platform for professional learning, knowledge sharing, and networking among members.

The programme concluded successfully with positive feedback from the participants, who appreciated the quality of the sessions and the expertise of the speakers.

Inaugural session of Oral Coaching batch

The Inaugural session of July to December 2026 batch of Oral Coaching Classes was held on 7th August 2026 at CMA Bhawan.

In this program Faculty members, Eminent Speakers and Practicing Cost Accountants guide the students and share their valuable thoughts. All the students got more clarity about the course and faculty.
Ms. Preeti Jais, Manager, National Insurance Co Ltd grace the occasion as a Chief Guest for this Inaugural session.

Webinar on Digital Marketing

Chapter, in association with the Nashik, Solapur, Chhatrapati Sambhajinagar, and Kolhapur Chapters, organised a Webinar on **Saturday, 8th August 2026,** on the topic "**Digital Marketing."**

The webinar was conducted by **Mr. Shubham Manmode**, Advertising Strategist, Brand Consultant, Political Communication Expert, and Founder of **IFlims Media Production Pvt. Ltd.**

During the session, Mr. Manmode shared valuable insights into the evolving landscape of digital marketing, branding strategies, online advertising, and effective communication techniques in the digital era. The webinar provided participants with practical knowledge and a better understanding of the opportunities and challenges in the field of digital marketing.

The webinar witnessed enthusiastic participation from a large number of members across the chapters. The session was highly informative, interactive, and beneficial for the participants, who appreciated the speaker's practical approach and industry experience.

CV Writing Session

Chapter organized a special **online session** for newly qualified students on the topic **"CV Writing"** on **Thursday, 13th August 2026, from 4:00 PM to 6:00 PM through Google Meet.**

The session was conducted by Mr. Ashish Joshi, a Professional Growth Coach, Corporate Trainer, Keynote Speaker, and Author.

The objective of the session was to guide newly qualified students in preparing effective and professional CVs for their forthcoming campus interviews and future career opportunities. Mr. Joshi shared practical insights on resume preparation, presentation of skills and achievements, and the importance of creating a strong first impression during the recruitment process.

The session proved to be highly beneficial for the participants, equipping them with valuable knowledge and confidence to face campus interviews and advance in their professional careers.

80th Independence Day Celebration

Chapter celebrated the 80th Independence Day on Saturday, 15th August 2026 at ICMAI Pune Chapter, CMA Bhawan.

The celebration was commenced with the National Flag Hoisting Ceremony, followed by a special programme for our members and their family members. As a special initiative this year, the Pune Chapter has decided to felicitate CMA Couples where both spouses are qualified Cost and Management Accountants and Members of the Institute.

Chapter felicitate CMA Couples in recognition of their shared contribution to the Cost and Management Accounting profession. These CMA Couples were felicitated at the gracious hands of Shree Parag Kalkar Sir, The Hon'ble Pro-Vice-Chancellor of the Savitribai Phule Pune University.

The programme will also include a special session by well-known Counsellor Shree Abhay Thakar, on "Emotional Quotient in Family Relationships", focusing on emotional understanding, effective communication and strengthening family relationships.

Students' Day on 22nd August 2026

Chapter, organised a Felicitation Ceremony on 22nd August 2026 to honour the successful students of the CMA Final and Intermediate examinations.

The felicitation of CMA Final passed students was conducted during the morning session, while the afternoon session was dedicated to students who had successfully cleared the CMA Intermediate examination.

Addressing the gathering, CMA Rahul Chincholkar, Chairman, ICMAI Pune Chapter, congratulated the successful students and appreciated the parents who attended the programme. He highlighted the various initiatives and programmes conducted by the Institute and explained the benefits of being associated with ICMAI throughout one's professional journey.

CMA Amey Tikale, Chairman, Students Coordination Committee, ICMAI Pune Chapter, explained the objectives behind organising the felicitation programme and encouraged students to actively participate in the Institute's academic and professional development activities.

Former President of ICMAI, CMA Amit Apte, while addressing the students, remarked, "The degree we receive is merely an entry pass to begin a career in a particular field. However, once we enter the professional world, what matters more is how we develop ourselves. If we move forward with the values of honesty and integrity, success will follow."

The Chief Guest for the Final Students' Felicitation Ceremony, CMA Anand Deshmukh, Director – Finance & Controlling, FORVIA India, advised students to focus on learning and professional growth during the initial years of their careers. He stated that students should consider the job profile, scale of the organisation and opportunities to learn new skills rather than focusing solely on salary. He also emphasised the importance of maintaining personal and professional values throughout one's career.
During the programme, Pune Chapter oral coaching students Pooja Kamat, Akash Paul and Mrunal Katkar, who successfully cleared the CMA Final examination, were presented with a Special Award instituted in memory of Late CMA Soumitra Bavthankar.

The programme was graced by the presence of CMA Himanshu Dave, Vice Chairman; CMA Shrikant Ippalpalli, Former Chairman; CMA Nilesh Kekan; CMA Nagesh Bhagane; CMA Nikhil Agrawal; and other Managing Committee Members of the Pune Chapter.

During the afternoon session, CMA Amit Aaron, Chief Financial Officer, JSW JFE Nashik, attended as the Chief Guest for the felicitation of students who had successfully cleared the CMA Intermediate examination. Addressing the students, CMA Amit Aaron said, "A CMA plays an important role in establishing the financial structure of any industry. Therefore, CMA professionals must continuously acquire the knowledge and skills required to ensure the growth of an industry or organisation through financial discipline and proper planning."

Special recognition was also accorded to Pranav Kondekar, Hemant Kundaram, Sarthak Kshirsagar, Ishwari Pawar, Narayani Gargate and Ajitkumar Tutika, who represented Pune and achieved success at the Students' Regional Cost Convention held in Surat.
The programme was effectively compered by Hemant Kundaram, Tanvi Vaidya, Anjali Kandare and Khushi. The vote of thanks was proposed by CMA Himanshu Dave, Vice Chairman, ICMAI Pune Chapter.

Articleship Drive – 24th August 2026

Chapter organized a **Placement / Articleship Drive** for CMA Intermediate students on **24th August 2026**, involving participation from industry organizations and practicing professionals.

The objective of this drive was to provide suitable practical training opportunities to eligible students in reputed organizations and under experienced practicing professionals. The support extended by industry representatives and practicing professionals plays a vital role in shaping the professional journey of future Cost Accountants.

This initiative aimed to connect students with organizations offering the mandatory 15-month Practical Training, thereby providing them with an excellent opportunity to gain valuable practical exposure and hands-on experience under the guidance of experienced professionals.

The drive served as a platform for students to interact with industry experts, understand professional expectations, and explore career opportunities. It was a valuable opportunity for aspiring CMAs to kick-start their professional journey and gain practical insights from senior corporate professionals and practitioners.

CPE on CAS 25

Chapter organized a Continuing Professional Education (CPE) Programme on Cost Accounting Standard (CAS)-25 – Valuation of Inventory on Friday, 11th September 2026.

The programme commenced with a technical session delivered by CMA Neeraj Joshi, Central Council Member, ICMAI, and Practicing Cost Accountant, followed by an engaging panel discussion featuring eminent professionals from industry and practice.

In his presentation, CMA Neeraj Joshi shared valuable insights on the significance and practical aspects of CAS-25. He elaborated on the key provisions of the Standard and highlighted its role in ensuring consistency, accuracy, and transparency in inventory valuation practices.

The objective of the panel discussion was to bridge the gap between the technical requirements of CAS-25 and their practical application in industry. The discussion facilitated a meaningful exchange of views on implementation challenges, industry expectations, and best practices, thereby enriching the understanding of the participants.

ASTP – September 2026

The ICMAI Pune Chapter successfully organized the **Advance Skill Training Program (ASTP)** for newly qualified CMAs of the June 2026 Examination from **3rd September 2026 to 13th September 2026 at CMA Bhawan, Pune Chapter.**

The programme commenced with an **Inaugural Session on 3rd September 2026. Mr. Prakash Yelmame, Director – Finance, Suroj Buildcon Private Limited,** graced the occasion as the Chief Guest. Drawing from his extensive experience as a senior industry professional, Mr. Yelmame interacted with the newly qualified CMAs and shared valuable insights on industry expectations from young professionals.

He elaborated on the skills, professional attitude, and value-driven approach required to succeed in today's corporate environment. He emphasized the importance of continuous learning, adaptability, ownership, professional discipline, and gaining in-depth business understanding by remaining associated with an organization through multiple business cycles. His guidance proved highly beneficial and inspiring for the participants at this important stage of their professional journey.

CMA Rahul Chincholkar, Chairman, ICMAI Pune Chapter, welcomed the dignitaries and participants. **CMA Chaitanya Mohrir, RCM, WIRC-ICMAI**, shared practical tips on succeeding in interviews and building a successful professional career. **CMA Neeraj Joshi, CCM, ICMAI**, congratulated the newly qualified CMAs and highlighted the diverse opportunities available in the corporate sector, professional practice, consultancy, and other emerging areas for Cost Accountants.

CMA Amey Tikale, Treasurer and Chairman, Students' Coordination Committee, was also present during the inaugural session. The inaugural session concluded with a vote of thanks.

A total of **132 students registered** for the training programme. During the course of ASTP, the Chapter conducted **more than 29 sessions covering a wide range of professional and industry-relevant topics.** The faculty comprised experienced Cost Accountants and senior industry professionals who shared their practical knowledge and real-life experiences with the participants.

The sessions were highly informative, interactive, and application-oriented, providing participants with valuable exposure to current industry practices and enhancing their readiness for campus interviews and professional responsibilities.

CMA Himanshu Dave, Vice Chairman, ICMAI Pune Chapter, worked diligently to ensure the successful conduct of the programme.

The programme concluded with a **Valedictory Session** on **13th September 2026. Mr. Jeetendra Bhandari, Founder, Walko Food Company,** graced the occasion as the Chief Guest. **CMA Chaitanya Mohrir, RCM, WIRC-ICMAI, and CMA Shrikant Ippalpalli, Former Chairman, ICMAI Pune Chapter**, were also present for the valedictory function.

Addressing the participants, Mr. Bhandari shared his entrepreneurial journey and valuable experiences as an industry leader. His interaction with the newly qualified CMAs provided motivation and practical insights into leadership, innovation, and professional growth. The inspiring session served as a fitting conclusion to the intensive training programme and left the participants with valuable lessons for their future careers.

The ASTP was successfully conducted with active participation from the students and wholehearted support from the faculty members, dignitaries, and Chapter office bearers, making it a memorable and enriching learning experience for all.

The panel discussion featured CMA Arindam Ganguly, General Manager – Costing & MIS (Finance & Accounts), Arcelor Mittal Nippon Steel India Ltd., and CMA Nimit Kathuria, DGM – Finance, Knest Manufacturers Ltd., as distinguished panellists.

Drawing from their extensive professional experience, the panellists shared practical insights into prevailing inventory valuation practices, determination and allocation of costs, capacity utilization, valuation of work-in-progress and finished goods, ERP and system-related considerations, and the challenges encountered by industries while implementing the Standard.

CMA Rahul Chincholkar Chairman Pune Chapter, compared the programme to a platform that effectively connected technical knowledge with practical industry experience, enabling meaningful learning for the participants.

The programme witnessed enthusiastic participation from members. The interactive discussions and practical perspectives shared by the speakers made the session highly informative and beneficial for all attendees.



Shri Girish Mahajan, Hon. Minister for Water Resources, Kumbh Mela and Disaster Management, Government of Maharashtra, and Guardian Minister of Nashik, CMA Chittaranjan Chattopadhyay, President, ICMAI, CMA Dr. Ashish Thatte, Chairman, Sustainability Standards Board, ICMAI, CMA Mahendra Bhombe, Chairman, WIRC of ICMAI, CMA Mayur Nikam, Chairman, ICMAI Nashik Chapter during Inaugural Session of SAMRUDDHI – Sustainability Simplified', a special professional conclave organised by The Sustainability Standards Board (SSB) of (ICMAI), in association with the ICMAI Nashik Chapter on 2nd October 2026



CMA Mahendra Bhombe, Chairman – ICMAI-WIRC, along with CMA Chittaranjan Chattopadhyay, President – ICMAI, and CMA Vivek Bhalerao, Vice Chairman – WIRC, ICMAI, had a productive meeting with Mr. Niranjan Avasthi, President – Edelweiss Asset Management.



CMA Vivek Bhalerao, Vice Chairman & Chairman - Students Coordination Committee, ICMAI-WIRC alogwith the Students during Drawing Competition organised by WIRC on the occasion of Ganesh Festival



CMA Amey Tikale, CMA Rahul Chincholkar, The Chief Guest - CMA Anand Deshmukh, Director – Finance & Controlling, FORVIA India, Former President of ICMAI- CMA Amit Apte, CMA Himanshu Dave, CMA Shrikant Ippalpalli, CMA Nikhil Agrawal; Managing Committee Members of the Pune Chapter during Students' Day organised by Pune Chapter on 22nd August 2026



CMA S.R. Bhargave, inaugurating the Two Days' Residential program organised by Pune Chapter at Bhor, Pune on 1st and 2nd August 2026.Also seen Managing committee members and Speakers



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