Interview



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CMA Praveen Nigam is a Commerce Graduate and a Cost Accountant having vast experience of over 31 years in various areas of Finance and Accounts Department like Accounts, Cost & Budget, Treasury Management, Taxation, Financial Concurrence. He started his Career as a Junior Manager (Finance & Accounts) in the year 1993 in IISCO Steel Plant, Burnpur and got transferred to RSP, Rourkela in the year 2019 on his elevation to the post of Chief General Manager. In January' 2022, he was transferred to SAIL Corporate Office, New Delhi, where he was promoted as Executive Director (Finance and Accounts) in June 2022. In March' 2025 he joined as Executive Director (Finance and Accounts) in SAIL Bhilai Steel Plant and currently working at Bhilai Steel Plant. Presently he is also a working as a board member of NSPCL (NTPC SAIL Power Corporation Limited), Bhilai Jaypee Cement Limited and SRCL (SAIL Refractory Company Limited).

Q1. Having steered financial operations across multiple key units of SAIL and now leading the Finance & Accounts wing at the Bhilai Steel Plant, how do you view the evolving role of Cost and Management Accountants in hedging against global raw material volatility and sustaining cost efficiencies in a capital-intensive public sector enterprise?

Ans: In more than three decades with SAIL, I have seen the CMA's role move from recording costs after the event to anticipating and managing them before they hit the bottom line. In steel, raw materials form the largest share of the cost of production, and a significant part of our coking coal requirement is imported. Price swings in imported coking coal, freight and the exchange rate can therefore change the cost of a tonne of hot metal within a single quarter. At Bhilai the point is sharper still. Rails are supplied to Indian Railways under a long-standing arrangement, so cost discipline and reliable cost records matter there as much as anywhere. On plates and other products sold in the open market, a rise in input costs squeezes the margin long before the selling price catches up.

In such an environment, the CMA acts as the plant's early-warning system. Our job is to translate market movements into their impact on the cost sheet in near real time, build scenario and sensitivity models for coal prices and currency, and give management the data to take informed decisions. Financial hedging of currency exposure, aligned with the Board-approved risk management policy, is one tool; the more powerful natural hedges come from operations, such as reducing coke rate, increasing PCI, improving blast furnace productivity and maximising use of domestic coal and in-plant waste. The CMA's real contribution is to make these trade-offs visible: what a small change in coke rate is worth in a year, or what the plant gains by holding more coal stock against what it costs to carry it.

In a capital-intensive PSU, fixed costs are high, so capacity utilisation is the biggest lever of unit cost. The CMA must keep the organisation focused on techno-economic parameters, energy consumption per tonne, yield and value-added product mix, and must ensure that every rupee of capital expenditure is evaluated on life-cycle cost and return. Sustaining cost efficiency is not a one-time exercise; it is a discipline of continuous measurement, benchmarking and accountability, and that is exactly where the CMA adds the most value.

Q2. As corporate India increasingly looks to public sector stalwarts for economic stewardship, how has the profile of the CMA profession transformed from traditional cost compliance to becoming an indispensable catalyst for strategic corporate decision-making?

Ans: The transformation has been remarkable. When I joined SAIL and got my posting in IISCO Steel Plant in 1993 (then a subsidiary of SAIL), the cost accountant was largely seen as the custodian of cost records and cost audit. Today, in an organisation like SAIL, the CMA sits at the table where strategic decisions are made: capacity expansion, product-mix optimisation, make-or-buy choices, pricing in a competitive market, capital allocation and joint ventures.

The change did not happen overnight. Liberalisation and open competition made cost competitiveness a matter of survival, and once that happened, cost intelligence became strategic. Integrated ERP systems then put reliable, granular data in our hands, so we could move from explaining last month to anticipating next quarter. As governance expectations rose, boards began to demand rigorous financial concurrence and a risk-based evaluation of every major proposal, and that brought the CMA into the room much earlier.

Compliance still matters. Maintenance of cost records and cost audit under the Companies Act remain important foundations of transparency. But the modern CMA uses that foundation to answer the bigger question: what should the company do next, and what will it cost and earn? In my own experience on the boards of joint venture and subsidiary companies such as NSPCL and SAIL Refractory Company, I have seen how a cost-and-value perspective shapes decisions on tariffs, investment and long-term viability. The CMA has become a partner in value creation, not merely a recorder of cost.

Q3. The Institute of Cost Accountants of India (ICMAI) has consistently aligned its vision with national growth. In your opinion, how can CMAs play a more proactive role in optimizing project costs for heavy manufacturing and infrastructure pillars like SAIL to support Atmanirbhar Bharat?

Ans: SAIL and similar core-sector enterprises are investing heavily to support the national goal of significantly expanding domestic steel capacity set out in the National Steel Policy 2017. In large projects, the real cost battle is won or lost at the planning and design stage, long before the first order is placed. CMAs must therefore be involved from the project conception stage rather than only at the payment and capitalisation stage.

Practically, this means rigorous feasibility studies with realistic cost and revenue assumptions, life-cycle costing instead of lowest-initial-price thinking, target costing for major packages, and close monitoring of cost and schedule through earned value analysis. The Cost Accounting Standards issued by our Institute and the cost records and audit framework under the Companies Act give CMAs a common, recognised language for this work; project teams should use them from the first day, not discover them at the audit stage. CMAs should also evaluate contract structures, price variation clauses and risk allocation, because well-designed contracts protect both cost and schedule.

For Atmanirbhar Bharat specifically, CMAs can build a strong cost case for indigenisation. Many spares, refractories, equipment and consumables used in steel plants were historically imported. By carefully computing the total cost of ownership, including lead times, foreign exchange risk and inventory carrying cost, CMAs can demonstrate when domestic sourcing and vendor development are economically superior, and help Indian MSMEs reach competitive cost levels. In this way, cost management becomes a direct contributor to self-reliance, not merely to profitability.

Q4. Management accounting bridges technical plant operations with corporate boardrooms. How can experienced CMA members effectively bridge the gap between shop-floor engineering teams and top-tier financial strategists?

Ans: The gap usually arises because engineers speak the language of tonnes, temperatures and yields, while boardrooms speak the language of margins, cash flows and returns. The CMA must be fluent in both. My first advice to any finance professional in a steel plant is to spend time on the shop floor: understand how a blast furnace, a steel melting shop or a rolling mill actually works, and what drives its consumption and losses.

Once that understanding exists, the CMA can convert operational parameters into financial impact in a way that engineers find relevant and management finds actionable. For example, showing a shop-floor team what a small reduction in specific energy consumption or a one per cent improvement in yield means in crores of rupees per year creates ownership far more effectively than a variance report. Bhilai has a good example. In calendar year 2023, our Power and Blowing Station ran the captive power plant mostly on in-house blast furnace, coke oven and LD gases and achieved what was then its highest-ever captive generation of 61.47 MW, against 53.02 MW the year before, a gain the plant valued at about Rs 48.2 crore. Coal burnt in the power plant fell from 10,126 tonnes to 2,350 tonnes, while the Top Recovery Turbine at Blast Furnace-8 and the back-pressure turbo-generator at Coke Oven Battery-11 recorded what were then their best-ever generation figures of 11.20 MW and 3.36 MW. When a shop-floor team sees its own effort expressed in rupees like that, the conversation between operations and finance changes. Similarly, when a capital proposal reaches the Board, a CMA who understands the technology can present its benefits and risks credibly.

Practical tools help: department-level cost dashboards, responsibility accounting, joint cost-reduction committees with engineers and finance working together, and regular plant-level reviews where techno-economic and financial data are discussed side by side. Shop-floor records are rarely the work of one department. When our Universal Rail Mill achieved what was then its best-ever monthly prime production of 83,046 tonnes in June 2025, its head thanked SMS-2 and SMS-3, Traffic, PPC, RCL, Instrumentation, A&D, the RITES inspection team and the maintenance crews for their support. Behind such results also sit the cost data, budgets and timely approvals that keep

a mill supplied and running. Above all, the CMA should be seen as a partner who helps operations succeed, not merely as a checkpoint at the end of the process. Trust is the real bridge.

Q5. For aspiring CMA students studying in tier-2 and tier-3 cities - where industrial hubs like Bhilai are deeply rooted - what foundational mindset shifts are required to transition successfully from textbook theories to managing shop-floor financial complexities?

Ans: Students in cities like Bhilai have a unique advantage that they often underestimate: they live next to real industry. My first suggestion is to use it. Take every opportunity for plant visits, internships and conversations with working professionals, because seeing a cost centre in operation teaches more than many chapters of a textbook.

The key mindset shift is from 'calculating the answer' to 'understanding the business'. In examinations, data is given and complete; on the shop floor, data is incomplete, sometimes inconsistent, and you have to go and find it. A good CMA asks why a cost has moved, not just by how much. Curiosity, the willingness to learn from engineers and operators, and the humility to admit what one does not know are more valuable than rote knowledge.

Students should also not feel disadvantaged by their location. Communication skills, clarity of thought and integrity are built through effort, not geography. Many of the finest professionals I have worked with in SAIL came from small towns and modest backgrounds. Strong fundamentals in costing, a practical outlook, and the discipline to keep learning will take them as far as they wish to go.

Q6. With AI, ERP automation, and data analytics rapidly reshaping cost accounting, what core skills should current ICMAI students focus on mastering to remain future-ready and indispensable to modern manufacturing giants?

Ans: Technology is changing how cost accounting is done, but not why it is done. Automation will take over routine transaction processing and report generation; what will remain valuable is the ability to interpret, question and advise. I would ask students to think of their capability as a building: fundamentals at the base, digital fluency above it, and judgement at the top.

The base is fundamentals. Costing, variance analysis, budgeting and financial management must be second nature, because without them technology only produces faster mistakes. Above that comes digital fluency: working knowledge of ERP systems such as SAP, strong Excel and data-modelling skills, data visualisation tools, and a basic understanding of analytics and how AI tools work, including their limitations. A CMA should be able to validate the output of a system, not simply accept it. An ERP cost report will run perfectly even when a material master or an allocation key is wrong; it takes someone who understands the process to notice that the number does not make sense. Our Plate Mill showed what this looks like in practice: in August 2025, shipping-yard mapping and tablet-based documentation introduced by the C&IT team made dispatches faster and more accurate, and the mill set what were then new records, producing 1,20,448 tonnes and dispatching 1,27,427 tonnes in the month.

At the top sit judgement and business skills: communication, the ability to present numbers as a clear story to non-finance audiences, understanding of operations and markets, and the judgement to make recommendations under uncertainty. I would add emerging areas such as ESG and carbon accounting, risk management and business analytics. Finally, ethics: in an automated world, the professional's integrity is what gives the numbers their credibility.

Q7. Environmental, Social, and Governance (ESG) compliance is no longer optional, especially in steel manufacturing. How is modern management accounting adapting to quantify and optimize the costs associated with carbon reduction and sustainable manufacturing?

Ans: Steel is among the most carbon-intensive industries, and the cost of carbon is fast becoming a real cost rather than a notional one. The Ministry of Steel has issued a Green Steel Taxonomy, India has introduced the Carbon Credit Trading Scheme,

listed companies report under SEBI's Business Responsibility and Sustainability Reporting, and since January 2026 the European Union's Carbon Border Adjustment Mechanism has been in its definitive phase, which puts a carbon cost on steel shipped from India to Europe. Management accounting must evolve to measure and manage this new dimension of cost.

The first step is measurement: tracking emissions intensity, energy use, water consumption and waste generation at the level of each process and product, alongside conventional cost data. Activity-based approaches help allocate environmental costs to the processes and products that cause them. Measurement must then drive decisions: computing the cost per tonne of CO2 abated for alternative options such as waste heat recovery, higher PCI and scrap usage, renewable power, energy-efficient equipment and, in the longer term, hydrogen-based routes, so that capital goes first to the most cost-effective interventions. Using an internal carbon price in investment appraisal helps ensure that today's projects remain viable as carbon costs rise.

Just as important is recognising that sustainability often reduces cost. Better energy efficiency, utilisation of slag, gases and other by-products, and reduction in water use directly lower the cost of production. Bhilai offers an example. In a recent year our Material Recovery Division sold over 1.8 lakh tonnes of unprocessed LD slag, then a record and more than three times the previous best of about 55,700 tonnes set in 2023, recovered about 1.55 lakh tonnes of scrap from slag, and raised slag utilisation to 85 per cent against an Annual Business Plan target of 80 per cent. For a cost accountant, that is the clearest proof that sustainability and profitability can move together: material that once had to be handled and stored at a cost became a source of revenue. The CMA's role is to quantify these benefits credibly, integrate them into budgets and performance measures, and ensure that ESG reporting rests on the same rigour as financial reporting.

Q8. Drawing from your remarkable journey from joining IISCO Steel Plant as a Junior Manager to assuming charge as Executive Director (F&A) at SAIL-Bhilai Steel Plant, what is your defining success mantra for young CMA professionals aspiring to lead India's core industrial sector?

Ans: I began my career as a Junior Manager (Finance & Accounts) at IISCO Steel Plant, Burnpur in 1993, and the journey through Rourkela, the Corporate Office and now Bhilai has taught me that there are no shortcuts. Burnpur was then one of the oldest steel plants in the country, dating back to 1918, and in need of renewal. I was still there when it was amalgamated with SAIL in 2006 and through most of the years in which the new plant was built, before it was dedicated to the nation in May 2015. Watching an old plant get a second life taught me that a modernisation is never only a financial exercise: the numbers improve only when people on the shop floor believe the plant has a future and can see that every rupee is being spent with care. I have carried that lesson to every posting since. If I had to summarise my mantra, it would be: learn continuously, understand the business, and never compromise on integrity.

Learn continuously, because every assignment, whether in accounts, cost and budget, treasury, taxation or financial concurrence, adds a different lens, and the professional who embraces varied roles grows into a well-rounded leader. Understand the business, because a finance professional in a steel plant must know the plant as well as the balance sheet; the respect of engineering colleagues is earned by speaking their language. Never compromise on integrity, because in a public sector enterprise we are custodians of public money, and our credibility is our greatest asset.

I would add two more pieces of advice: when a proposal comes to finance, help a sound proposal meet the rules, and where it cannot, explain why and suggest an alternative; and be willing to move. Transfers across plants and locations gave me exposure that no single posting could have provided. To young CMAs, I would say that India's core sector offers enormous opportunity to contribute to nation-building. Work with sincerity, keep your fundamentals strong, and let results speak for you; leadership will follow. MA