

EFFECTIVE ACCOUNTING WITH MS MADHURA UMRANI



(Ms Madhura Umrani with students of IMT, Nagpur)

The student managers of Institute of Management Technology, Nagpur had the opportunity to interact with Ms Madhura Umrani, Vice President, Finance at Cogencis. She has a work experience of 10 years. She has been a Principal Consultant, Finance Effectiveness at PricewaterhouseCoopers India, Manager at PricewaterhouseCoopers, Assistant Manager at Birla Sunlife Insurance, Consultant at Ernst & Young and Management Trainee at Idea Cellular Ltd. Her responsibilities include planning the project, aligning the methodology and approach for the project, detailed discussion with the client and team members. She is also a veteran in handling international taxation advisory assignments, interpretation of tax treaties for expatriates as well as companies.

Here is an excerpt from the interview:

Q1: How do you see BREXIT affecting the Indian Corporate?

Ans: Right now, BREXIT is just an idea. Nothing concrete has come out of it and that is something we have to wait and watch. How the deal actually struck when UK wanted to exit from the European Union, is not the thing we can comment on. And what might happen is that our exports and interaction with UK may reduce but, thankfully our economy is not totally

dependant on this country. Also, this is a cycle through which any country goes through. Earlier, when one country failed it affected every country in the cycle. It is just the percentage which changes over time. And India has been quiet stable in the downturn. So, it should not be such a hassle until and unless they come up with what kind of terms they are offering to European Union exit.

Q2: What is the significance and how much will payment banks and e-wallets affect the Banking and Non-Banking Financial Companies sector?

Ans: Banking has its own applications. The payment banks are ramping up and giving tough competition to this industry but at the same time it is not going to take away their major share because all the new applications that are coming up are more into retail space not in corporate space. So it will not be a major threat to the banks. Also nowadays, banks are making use of technology. We see internet banking everywhere. Eight years ago, we never heard of a bank's name and today every small bank is using internet. So that is the change which technology has brought in over the time.

Q3: How is integration of various modules used in Accounting entries? And what role does technology play?

Ans: In implementation of technology say ERP, what happens is when the sales takes place, accounting team will not even see that. But, whatever information the sales team uploads, it will hit the billing and that in turn will hit the accounting entries. So personally if I do not want to know what the sales process is and what information they will put, since they will affect my financial accounts, I should know what kind of entries it affects. Like what happens when the sales order is put in the system or what will happen when it is approved. In any implementation, whenever it is going to affect accounts, people have to know. Say if a billing is generated in sales team, what happens in taxation? Because all the sales tax and rest are build in the system and that goes to some account. From accounting perspective, I should know what account it goes to else I will not be able to discharge that liability and I will not be able to get that collection. Even though there are different modules in an organization, at some point, they touch accounts. Technology plays a vital role here. Nowadays, everything is happening at the back end so how can one know whether the results are accurate or not? It is only when one knows the flow and understands that there is no leakage in the system. With all this in picture, today accounting is no longer just passing entries. There is more of financial analysis, more of being sure of what to make of that data.

Q4: What is your advice to the student managers seeking a career in Finance in the Corporate world?

Ans: Finance has many facets to it. Firstly one should be sure that he/she has to work 30/35 years down the line in the same field. Personally, I am not in the favor of retire-at-40-principle because that means we are putting into vain all our experience that we have gathered and that is

not how the country should function. What MBAs think of finance is they relate it to Corporate Finance but this field has much more to offer. It can be right from Management Consulting, to Financial Planning and Analysis, it can also be a Head of Finance role etc. Each role requires different skill sets. Not just technical but mental skill sets too. A head of finance needs to be in a fire fighting mode throughout, he should be able to think and act on his toes in case anything goes wrong. A person in Financial Planning and Analysis should be very good with numbers. You should know what strengths you have and choose your stream accordingly. People opting for a career in finance should be more of a generalist and at the same time they should have the inclination to go deep enough and understand the operational issues. So if somebody comes and tells you that you are doing system implementation and it is not working, then you should be able to provide reasons for the same. And for that, a depth of knowledge is essential.

Q5: How has your experience been at IMT, Nagpur?

Ans: It was good. The students were really interested in gaining practical knowledge and I also liked the interaction and question and answer session. Everybody was listening and they were very attentive. I wish them all the best for their future endeavours.