

# INTERVIEW



## CMA Sipan Kumar Garg

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*CMA Sipan Kumar Garg has been serving as the Director (Finance) of THDC India Limited since 17<sup>th</sup> August 2024 and has also been assigned the additional charge of Director (Finance) of SJVN since 1<sup>st</sup> September 2025. A distinguished finance professional, he holds a degree in Bachelor of Commerce (Hons.) and is a member of the Institute of Cost Accountants of India (CMA), the Institute of Chartered Accountants of India (CA), and the Institute of Company Secretaries of India (CS). Additionally, he has done LL.B. and was a rank holder in the Company Secretary examination.*

*With over 24 years of extensive experience in Finance, Accounts, Taxation, and Commercial aspects within the power sector, he brings a deep expertise to his role at THDC India Limited. His prior experience includes serving as the Chief Financial Officer (CFO) at Aravali Power Company Private Limited and Patratu Vidyut Utpadan Nigam Limited, both Group Companies of NTPC Limited. He has also contributed to NTPC Limited*

*in various capacities, including strategic roles in the Corporate Accounts Group and the Koldam Hydro Power Project.*

*During his tenure at NTPC, he ascended the professional ladder through his strong sense of responsibility, ethics, and unwavering dedication to the Company. Recognized as an outstanding finance professional, he excelled in every role he undertook at NTPC.*

*He has enhanced his expertise by participating in numerous workshops and seminars at prestigious institutions both in India and abroad. As a seasoned speaker on Accounting Standards and Ind AS, he has shared his insights widely over the years. He has also been an active member of several committees of the Institute of Chartered Accountants of India, including the 'Committee on Public Finance and Government Accounting,' the 'Accounting Standards Study Group,' and the 'Members in Industry Group (PSU).'*

*In recognition of his visionary leadership, Shri Garg was honoured as the Visionary CFO of India at the National Economic Growth Summit 2024. He also received a Certificate of Appreciation from ICAI for his dedicated contributions to the growth of THDC and for his efforts in advancing the CMA profession.*

**Q1** Reflecting on your distinguished career, could you share some of the key milestones, transformative experiences, and guiding principles that have shaped your professional journey and led you to your current leadership role at THDCIL?

**Ans.** My professional journey of over two decades in the power sector has given me the opportunity to have the deep understanding of the sector and I feel privileged to have been part of India's power sector transformation over the years. Experiences across Financial Management, Financial Reporting, Treasury Operations, Regulatory matters, and Strategic Planning have contributed meaningfully to my growth and leadership approach.

My long association with largest Power Generation Company of India i.e. NTPC Limited is one of the key milestones in my career. Structuring viable financing models, ensuring fiscal discipline and maintaining a balance between commercial prudence and developmental objectives have always been the constant priorities. Another defining phase was navigating regulatory and tariff issues, which deepened my understanding of the financial and policy dimensions of the power sector.

Transitioning to the role of Director (Finance) at THDCIL has been both an honour and a responsibility. The organization is at a transformative juncture, diversifying from conventional hydropower into Solar, Wind, and Thermal energy and financial stewardship plays a crucial role in driving this vision. Ensuring optimal resource mobilization, financial sustainability, and compliance with evolving regulatory frameworks remains central to our strategic objectives.

My guiding principles have always been

Integrity, maintaining financial discipline, transparency, accountability, and long-term sustainability of the organization. I firmly believe that financial leadership extends beyond numbers. It is about building trust, enabling sound decision-making, and aligning financial strategies with the organization's long-term goals.

**Q2** What specific roles do Cost & Management Accountants play in designing and implementing THDCIL's cost architecture — including specialized cost models, transfer pricing mechanisms (such as for coal sourced from the Amelia Mine), and granular performance metrics — particularly for new power verticals like Khurja STPP and Tehri PSP, to ensure these projects contribute effectively to overall profitability and resource efficiency?

**Ans.** Cost and Management Accountants (CMAs) play a pivotal role in shaping the cost architecture of companies like THDCIL by aligning cost accounting practices with strategic objectives of efficiency, transparency, and long-term sustainability. Their responsibilities encompass cost design, implementation, analysis, and continuous improvement which is particularly critical as the company expands into new thermal and pumped storage verticals.

CMAs are instrumental in developing specialized cost models tailored to each business segment i.e. hydro, thermal, solar, and emerging renewable technologies. These models capture both direct and indirect cost drivers across the value chain, enabling accurate project cost capitalization, tariff determination, and performance benchmarking.

For projects such as Khurja STPP and Tehri PSP, activity-based costing systems reflect

project-specific dynamics such as fuel mix, plant load factors, auxiliary consumption, and water usage providing granular insights into unit energy costs and operational efficiency.

In the case of the Amelia Coal Mine, transfer pricing mechanisms have been established to ensure regulatory-compliant allocation of coal costs between mining and generation verticals. This enhances cost traceability and ensures that generation tariffs accurately reflect the cost of coal procurement and logistics.

Ultimately, through analytical insights, cost audits, and contributions to tariff petitions before regulators, it is ensured that each vertical i.e. hydro, thermal, or pumped storage optimally contributes to THDCIL's profitability, cost competitiveness, and resource efficiency.

**Q3** In line with this issue's theme, "*Sustainable Finance: Steering India towards a Greener Future*," could you share a practical example where environmental cost accounting insights or sustainability-driven financial analysis directly influenced a key operational, strategic, or investment decision within THDCIL?

**Ans.** At THDCIL, we have progressively integrated sustainability and environmental cost considerations into our financial and investment decision-making processes. A notable example is the Tehri Pumped Storage Plant (PSP), where environmental cost accounting played a pivotal role during project evaluation and design optimization.

Through detailed sustainability-driven financial analysis, we quantified not only direct capital and operating costs but also environmental externalities including carbon abatement benefits, ecosystem impacts, and long-term resource

efficiencies. By incorporating a shadow price for carbon emissions and accounting for avoided thermal generation costs, the project's financial viability was significantly strengthened under a lifecycle cost framework. This analytical approach justified the PSP's strategic value as a green balancing asset in India's renewable-heavy grid, supporting its prioritization in the company's investment roadmap.

Building on this experience, similar environmental cost accounting insights are now being applied to upcoming projects, ensuring alignment with THDCIL's commitment to sustainable growth and India's decarbonization goals. By including Environmental, Social, and Governance factors in new project evaluations, it is ensured that the funds go to projects that give both financial returns and positive environmental impact. Our financial decision-making ensures that THDCIL's investments contribute not just to profitability, but also to India's green energy transition.

**Q4** What practical advice would you offer to newly qualified Cost & Management Accountants regarding foundational techniques, analytical skills, and professional attitudes that can help them excel in today's competitive and rapidly evolving business environment?

**Ans.** For newly qualified Cost & Management Accountants, my advice would be to focus on three key areas.

First, foundational techniques: develop a strong command over cost accounting, financial reporting, budgeting, and taxation, as these form the backbone of all strategic financial decisions. Second, analytical skills: learn to interpret data critically, identify trends, anticipate risks, and

translate numbers into actionable insights that support business objectives. Finally, professional attitudes: cultivate integrity, discipline, and a habit of continuous learning.

In today's fast-evolving business environment, technical competence alone is not enough. Adaptability, ethical decision-making, and the ability to communicate complex financial concepts clearly are what truly differentiate a successful professional. To excel, they must develop a well-rounded blend of technical expertise, analytical insight, and a proactive professional mindset that aligns finance with strategy.

**Q5** How is THDCIL proactively developing its CMA talent to be future-ready? What specific new competencies — in areas such as data analytics for cost prediction, ESG valuation, renewable energy finance, or digital cost management — is the organization prioritizing to strengthen its finance function and align it with THDCIL's growth and energy transition strategy?

**Ans.** At THDCIL, we place significant emphasis on developing our talent to meet the evolving demands of the energy sector. We are actively building capabilities in areas such as data analytics, digital cost management, and renewable energy finance, recognising that these skills are critical for informed decision-making and long-term sustainability. Beyond technical skills, we are fostering a mindset of strategic thinking, adaptability, and continuous learning, enabling our finance professionals to contribute not just to transactional efficiency but to shaping investment and operational decisions. By aligning our talent development with the company's growth and energy transition strategy, we aim

to create a finance function that is future-ready, agile, and capable of supporting THDCIL's vision for sustainable and affordable Power generation.

**Q6** As Director (Finance) and a distinguished member of the CMA fraternity, what three practical steps would you advocate or implement within THDCIL to further strengthen the bridge between the company and the Institute of Cost Accountants of India (ICMAI)? In particular, how can initiatives such as mentorship programs, structured internships, and applied research collaborations in areas like infrastructure finance and complex project costing be institutionalized for mutual benefit?

**Ans.** I firmly believe that deeper collaboration between THDCIL and ICMAI can create significant value, not only by enhancing capacity-building within the organization but also by contributing meaningfully to the growth and relevance of the CMA profession in today's evolving business landscape.

Collaboration between THDCIL and ICMAI can be strengthened through structured mentorship programs that guide CMA students in applying their knowledge to real-world finance, internships that provide hands-on exposure to project costing and financial analysis in the power sector, and applied research partnerships in areas such as infrastructure finance and renewable energy projects. Institutionalizing these initiatives fosters a continuous learning ecosystem, enhances professional excellence, and reinforces the bridge between academia and industry. **MA**