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## Cost Audit Excellence: Peer Review and Evolving Standards


ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान
Statutory Body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)
WESTERN INDIA REGIONAL COUNCIL

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# Glimpses of 3rd Regional Tax Conclave held on 26th April 2026 at Bhilai

**Chief Guest Shri Chitta Ranjan Mohapatra, Director In-Charge, SAIL–Bhilai Steel Plant; Guest of Honour CMA Praveen Nigam, Executive Director (F&A), SAIL–Bhilai Steel Plant; CMA T.C.A. Srinivasa Prasad, President ICMAI; CMA Neeraj Joshi, Vice President ICMAI; CMA Ashwin Dalwadi, Former President & CCM ICMAI; CMA (Dr.) Dhananjay Joshi, Former President ICMAI, CMA (Dr.) Ashish Thatte, CCM & Chairman Indirect Tax Committee, ICMAI, CMA Harshad Deshpande, CCM ICMAI, CMA Mihir Vyas, Chairman, ICMAI-WIRC; CMA Nanty Shah, Vice Chairman, ICMAI-WIRC, CMA Chaitanya Mohrir, Secretary, ICMAI-WIRC, CMA Arindam Goswami, Chairman – Professional Development Committee, ICMAI-WIRC, CMA Manisha Agrawal, RCM, ICMAI-WIRC, CMA Mahendra Bhombe, RCM, ICMAI-WIRC, CMA Prakash Kolkondi, Chairman, ICMAI Bhilai during Inaugural Session.**

**CMA Mihir Vyas, Chairman, ICMAI-WIRC felicitating Chief Guest Shri Chitta Ranjan Mohapatra, Director In-Charge, SAIL–Bhilai Steel Plant**


**CMA Nanty Shah, Vice Chairman, ICMAI-WIRC felicitating Guest of Honour CMA Praveen Nigam, Executive Director (F&A), SAIL-Bhilai Steel Plant**

**CMA Chaitanya Mohrir, Secretary, ICMAI-WIRC felicitating CMA T C A Srinivasa Prasad, President ICMAI**

**CMA Arindam Goswami, Chairman Professional Development Committee, ICMAI-WIRC felicitating CMA Neeraj Joshi, Vice President ICMAI**

**CMA Prakash Kolkondi, Chairman ICMAI-Bhilai Chapter felicitating CMA Ashwin G Dalwadi, Former President & CCM ICMAI**


**CMA Dibyendu Sarkhel, Secretary, ICMAI- Bhilai Chapter felicitating CMA (Dr.) Dhananjay V Joshi, Former President ICMAI**

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## Vision Statement

"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

## Mission Statement

"The Cost and Management Accountant professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting."

From the Desk of Chairman

# CMA Mihir Narayan Vyas

Chairman ICMAI -WIRC

Leadership is not about commanding, but about inspiring others
to dream more, learn more, do more, and become more"
— Dr. A. P. J. Abdul Kalam

Warm greetings to all esteemed members, students,

The month of May brings with it renewed energy, pride, and a sense of belonging for all of us. This May holds a special place in the history of our profession as we **celebrate the 67th Foundation Day of The Institute of Cost Accountants of India on 28th May 2026**. It is a time to reflect on our glorious journey, acknowledge our achievements, and recommit ourselves to the values of excellence, integrity, and nation-building.

The May 2026 issue of the WIRC Bulletin is centered around the theme **"Cost Audit Excellence: Peer Review and Evolving Practices."** Cost Audit continues to remain the backbone—the "bread and butter"—of the CMA profession. In an era of increasing regulatory oversight, transparency, and accountability, the role of CMAs in ensuring robust cost systems, compliance, and value-driven insights has become more significant than ever. Peer Review mechanisms and evolving practices are shaping the future of Cost Audit by enhancing quality, credibility, and professional standards. As CMAs, we are not only auditors but also strategic advisors contributing to operational efficiency, cost optimization, and sustainable growth. This theme rightly captures our responsibility to continuously upgrade our competencies and uphold the highest benchmarks of professional excellence.

I am delighted to share that ICMAI-WIRC successfully organized "मंथन – **3rd Regional Tax Conclave 2026**" on 26th April 2026 at Bhilai, hosted by the ICMAI–Bhilai Chapter on the theme "Strengthening Economic Growth through Tax Reforms and Compliances." The event was graced by Shri Chitta Ranjan Mohapatra, Director In-Charge, SAIL–Bhilai Steel Plant as Chief Guest and CMA Praveen Nigam, Executive Director (F&A), SAIL–Bhilai Steel Plant as Guest of Honour. With participation from over 200 members, students, and professionals, and insightful sessions on Safe Harbour Rules, GST Appellate Tribunal, and Digitisation of Indirect Taxes, the conclave emerged as a vibrant platform for knowledge exchange and forward-looking dialogue.

It was also a matter of great pride to participate in the **National CMA Practitioners' Convention 2026 (NCPC 2026)** held at Chandigarh on 4th & 5th April 2026 on the theme "Evolving Horizons in Cost and Management Practice." The opportunity to interact with distinguished dignitaries including Hon'ble Shri Harpal Singh Cheema, Finance Minister of Punjab, and Hon'ble Shri Yogender Sharma, State President, BJYM Haryana, was truly enriching. The convention witnessed enthusiastic participation from members across the country, fostering collaboration and professional growth.

I am equally delighted to share my visit to the **ICMAI Raipur Chapter** along with CMA T.C.A. Srinivasa Prasad, President, ICMAI, CMA Nanty Shah, Vice Chairman, ICMAI-WIRC, and CMA Arindam Goswami, Immediate Past Chairman, ICMAI-WIRC. The interaction with members and students was highly inspiring. Such engagements at the grassroots level strengthen our professional fabric and bridge perspectives across generations.

The **CultFest 2K26 – Student Felicitation Event organized by the ICMAI – Pimpri Chinchwad Chapter** was a remarkable celebration of academic excellence and cultural vibrancy. The presence of distinguished dignitaries and industry leaders made the event truly memorable. Recognizing meritorious students while fostering holistic development reflects our commitment to nurturing future professionals.

Further strengthening professional competencies, the AI Strategy & Capacity Building Board organized a **3-Day Seminar on SAP CO – S/4 HANA** from 17th to 19th April 2026 at WIRC, Mumbai.

The sessions, led by esteemed faculty, provided practical insights into ERP systems and highlighted the growing importance of digital and technological expertise in our profession.

Looking ahead, the **Campus Placement Programme for December 2025 qualified CMAs is scheduled from 11th to 13th May 2026 in Mumbai.** To support our students, WIRC is organised a webinar on “How to Get Your First Offer Letter” on 4th May 2026 at 7:30 PM. I urge corporates and industry leaders to extend their support by providing opportunities to our talented CMAs.

We are also organizing a **Students’ Felicitation Function on 10th May 2026 at SNDT Women’s University, Patkar Hall, Churchgate, Mumbai.** This event celebrates dedication, perseverance, and success, and serves as an inspiration for many aspiring professionals.

As students gear up for the June 2026 Examinations, WIRC is planning to launch a **“Marathon Revision Series”** from the last week of May. This initiative will provide focused guidance and help strengthen preparation strategies. I urge all students to make the most of this opportunity.

As we move forward, let us remember that the strength of our profession lies in our ability to adapt, evolve, and lead with purpose. Each one of us contributes to shaping the future of the CMA profession—through knowledge, ethics, and commitment. Together, let us continue to build a profession that stands tall on the pillars of excellence, trust, and innovation.

Wishing you and your families a joyful and fulfilling month of May. May this month bring new opportunities, professional growth, and continued success in all your endeavours.

With warm regards,
**CMA Mihir Narayan Vyas**
Chairman
Western India Regional Council of
The Institute of Cost Accountants of India

Written by,
# CMA Nanty Nalinkumar Shah
Vice Chairman ICMAI - WIRC &
Chairman, Editoral Board - WIRC Bulletin

"Excellence is never an accident;
It is the result of high intention, sincere effort, and intelligent direction."

The month of May arrives with renewed energy, purpose, and a deep sense of professional commitment. As we continue to strengthen the foundation of the CMA profession, this edition of the WIRC Bulletin celebrates the spirit of Cost Audit Excellence - a domain that continues to evolve with dynamic regulatory frameworks, technological advancements, and heightened expectations of transparency and accountability.

In recent times, the profession has witnessed significant developments in peer review mechanisms, strengthening the credibility and quality assurance of cost audit practices. The growing emphasis on ethical compliance, robust documentation, and adherence to standards reflects the profession's progressive journey toward global benchmarking. Simultaneously, digital transformation and policy shifts are reshaping how cost audits are conducted, reviewed, and valued.

This month's theme "Cost Audit Excellence: Peer Review and Evolving Practices", highlights the importance of continuous improvement and adaptability. Peer review is not merely a compliance requirement but a powerful tool for professional enrichment, ensuring that best practices are shared, gaps are identified, and standards are consistently elevated. The evolving practices in cost audit—driven by technology, sustainability considerations, and sector-specific complexities—present immense opportunities for CMAs to redefine their role as strategic advisors and value creators.

In this issue, we bring to you a thoughtfully curated collection of articles that form a perfect blend of technical insight, practical application, and forward-looking perspectives. The contributions include:

- Invoice Management System under GST and Introduction of IMS Offline Utility
- Application of Cost Accounting Standards (CAS)
- Cost Audit Excellence: Evolving Standards & the SME Opportunity
- CMA Hai Na!!!
- Cost Reduction without Value Destruction
- Application of Cost Accounting Standard 10 (Direct Expenses) for Job Work Charges
- Co-operative Sector – Conceptual Understanding
- Green Hydrogen
- Strategic Cost Management: The Backbone of Make in India 2.0

Each article reflects the depth, diversity, and dynamism of our profession, offering valuable perspectives that empower readers to enhance their knowledge and professional competence.

I extend my heartfelt gratitude to all the authors for their insightful contributions and to every member who continues to support and enrich this knowledge-sharing platform. Your dedication and thought leadership are the pillars that uphold the strength of this Bulletin.

The relationship between CMAs and Cost Audit is deeply rooted - one that reflects precision, integrity, and value-driven analysis. Cost Audit is not just a statutory function; it is a refined discipline that embodies the essence of our profession, enabling informed decision-making and fostering sustainable growth across industries.

As we conclude, let us continue to strive for excellence, embrace evolving practices, and uphold the highest standards of professionalism. Together, we can shape a future where Cost Audit stands as a benchmark of quality, trust, and strategic relevance.

With warm regards,
**CMA Nanty Nalinkumar Shah**
Vice Chairman, ICMAI-WIRC
Chief Editor – WIRC Bulletin

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# Invoice Management System Under Gst And Introduction Of Ims Offline Utility

## Background of Invoice Management System under GST

The Invoice Management System (hereafter referred as IMS) under GST is a comprehensive mechanism designed to facilitate the management and reconciliation of invoice data between taxpayers and the GST portal.

IMS helps in identifying discrepancies in inward supplies reported by suppliers and recipients, ensuring accurate availment of Input Tax Credit, Tax Compliance and reducing errors in GST returns.

IMS plays a crucial role in enhancing transparency and accountability in the GST ecosystem by providing taxpayers with detailed records of invoices, debit notes, credit notes, and other relevant documents reported by their suppliers. This system enables taxpayers to take timely actions such as acceptance, rejection, or pending status on the records, thereby streamlining the input tax credit (ITC) reconciliation process to avoid discrepancy or litigation due to ITC difference between GSTR-2B and GSTR-3B.

## Usefulness for Taxpayers

The usefulness of IMS lies in its ability to:

- Provide a centralized dashboard for taxpayers to view and manage their inward supply data.
- Facilitate offline actions through tools like the Excel-based IMS Offline Tool, allowing taxpayers to work without continuous internet connectivity.
- Improve accuracy in GST filings by enabling validation and correction of invoice data before submission.
- Reduce the risk of mismatches and disputes related to ITC claims.
- Enhance compliance efficiency by allowing bulk uploads and error handling through structured JSON files.

Overall, IMS is an essential tool to ensure accurate reporting, timely reconciliation, and smooth compliance with GST Act and rules thereunder.

## Purpose and Intention Behind Introduction of IMS Offline Utility by GSTIN

The offline utility of IMS was introduced by GSTIN to address several practical challenges faced by taxpayers in managing their invoice data online directly on the GST portal. The key intentions behind introducing this offline tool instead of relying solely on online actions include:

- **Ease of Use:** Many taxpayers, especially small and medium enterprises, face difficulties in managing large volumes of invoice data directly on the online portal due to connectivity issues or portal performance constraints.

- **Offline Accessibility:** The offline tool allows taxpayers to download invoice data, take necessary actions, validate, and prepare upload files without needing continuous internet access, making the process more flexible and convenient.

- **Bulk Processing:** Handling thousands of invoice records online can be cumbersome. The offline utility supports bulk data processing, validation, and error correction efficiently before uploading the finalized data back to the portal.

- **Error Management:** The tool provides structured error handling by allowing taxpayers to import error reports, correct mistakes offline, and re-upload corrected data, reducing the back-and-forth on the portal.

- **Improved Accuracy:** By enabling offline validation and review, the tool helps reduce errors and mismatches, leading to more accurate GST returns and fewer disputes.

- **Reduced Portal Load:** By shifting bulk data processing and validation offline, the tool helps reduce the load on the GST portal, improving overall system performance for all users.

Overall, the IMS Offline Utility is designed to enhance taxpayer experience, improve compliance accuracy, and streamline the reconciliation process by providing a robust offline alternative to the online IMS dashboard actions

## Key Dates for IMS Implementation

- Launch Date on GST Portal: 1st October 2024
- Availability for Taxpayer Actions: 14th October 2024 (accept, reject, or keep invoices pending)

## About Excel Based IMS Offline Tool

The Excel-based IMS Offline Tool is designed to assist taxpayers in managing records available on the IMS dashboard in offline mode. It simplifies compliance by enabling taxpayers to take actions on specific tables without requiring continuous online access.

**A) Tables Supported by the Offline Tool**

Taxpayers can take action on the following IMS dashboard tables:

- B2B - Invoices
- B2B - Invoices (Amendments)
- B2B - Debit Notes
- B2B - Debit Notes (Amendments)
- B2B - Credit Notes
- B2B - Credit Notes (Amendments)
- E-Commerce Operator [Invoices under Section 9(5) of CGST Act]
- E-Commerce Operator [ Invoices (Amendments)]

**B) Key Features in the 'Home' Sheet**

- Open Downloaded IMS JSON File: Imports records from a downloaded JSON file. Data is populated into respective worksheets.
- Generate JSON File to Upload: Creates a JSON file for uploading finalized data to the GST portal.
- Open Downloaded Error JSON File: Imports error files downloaded from the GST portal. Errors are displayed in respective worksheets for correction. Please refer 'Error File Handling' Section for details

**C) Action-Oriented Features**

- Go Home: Navigates back to the 'Home' sheet.
- Validate Sheet: Validates data entered in worksheets. Errors are highlighted in red, while successful validation triggers a pop-up confirmation.

**D) High-Level Process Flow is as follows:**

- Import IMS dashboard data using Open Downloaded IMS JSON File.
- Validate actions in each sheet using 'Validate Sheet' button.
- Generate JSON using Generate JSON File to Upload.
- Upload the generated JSON file on the GST portal.

**E) Acting on IMS Dashboard Using Offline Tool**

- Download the latest version of the IMS Offline Tool from the GST portal: https://www.gst.gov.in/download/returns
- Launch the tool. A pop-up will ask: Open saved version?
- a) Yes: Previously saved data will be available.
- b) No: Previously saved data will be lost.
- Import IMS data by uploading the JSON file downloaded from the IMS dashboard.

Act on imported records across worksheets. Actions on all records are not mandatory.

- Uploads can be done multiple times, with a limit of 10,000 records per upload.
- Validate sheets to check for errors. Correct highlighted cells if validation fails.
- Generate JSON for upload using Generate JSON File to Upload.

### F) IMS JSON Upload on GST Portal

- Login to GST Portal → Navigate to Services → Returns → IMS Dashboard.
- Upload the JSON file generated using the Offline Tool.
- The portal validates and processes the uploaded file.
- If validation fails, an error file is generated.
- Download error file and re-upload JSON after taking corrective action.
- On successful upload, preview the updated data on the GST portal.

| IMS Data Entry Instructions | | |
|---|---|---|
| **Sl. No** | **Field Name** | **Help Instruction** |
| 1 | Status | Following statuses are allowed: 1) Accepted 2) Rejected 3) Pending 4) No Action; Status can be changed manually or can be selected from drop-down option. |
| 2 | Remarks | This column will be enabled for user input where Reject or Pending action taken by user. Maximum 250 characters are allowed for remark. |
| 3 | Whether ITC to be reduced (Taxpayer's Input) | Allowed inputs are Yes or No. It can be selected manually or through drop-down option available. This option is not applicable for B2B, B2B-DN and ECO sheets |
| 4 | Amount declared by taxpayer for ITC reduction: Integrated Tax (₹) | This column will be enabled only when user input for above column "Whether ITC to be reduced (Taxpayer's Input)" is Yes. It is optional to enter the value. If no value entered by user after selecting the answer as Yes, ITC will be calculated based on actual value of the record. |
| 5 | Amount declared by taxpayer for ITC reduction: Central Tax (₹) | This column will be enabled only when user input for above column "Whether ITC to be reduced (Taxpayer's Input)" is Yes. It is optional to enter the value. If no value entered by user after selecting the answer as Yes, ITC will be calculated based on actual value of the record. |
| 6 | Amount declared by taxpayer for ITC reduction: State/UT Tax (₹) | This column will be enabled only when user input for above column "Whether ITC to be reduced (Taxpayer's Input)" is Yes. It is optional to enter the value. If no value entered by user after selecting the answer as Yes, ITC will be calculated based on actual value of the record. |
| 7 | Amount declared by taxpayer for ITC reduction: Cess (₹) | This column will be enabled only when user input for above column "Whether ITC to be reduced (Taxpayer's Input)" is Yes. It is optional to enter the value. If no value entered by user after selecting the answer as Yes, ITC will be calculated based on actual value of the record. |
| **Important Note!!** | | |
| Above mentioned field no. 3 to 7 are applicable for following type of "**Accepted**" records only: | | |
| 1. **Credit notes.** | | |
| 2. **Credit note amendment** *(except the downward amendment of CN) where original CN already accepted and ITC adjusted.* | | |
| 3. **B2B-Invoice downward amendment** *only where original Invoice already accepted and ITC availed.* | | |
| 4. **Debit note downward amendment** *only where original debit notes already accepted and ITC availed.* | | |
| 5. **ECO-Document downward amendment** *only where original eco-document already accepted and ITC availed.* | | |
| For other scenario, kindly ignore these fields otherwise system will throw error message at the time of uploading JSON on GST portal. | | |

## Conclusion

The Excel-based IMS Offline Tool is a practical solution for taxpayer and professionals to manage IMS dashboard records efficiently. By enabling offline actions, validations, and structured uploads, it ensures compliance while reducing dependency on continuous online access.

**IMS JSON Upload Process on GST Portal**
To upload IMS JSON on the GST portal, first log in and navigate to Services > Returns > IMS Dashboard. Upload the JSON file generated using the Offline Tool. The portal will validate and process the uploaded file. If validation fails, an error file will be generated for review. Download the error file, make the required corrections, and re-upload the JSON file. Once successfully uploaded, preview the updated data on the GST portal before final submission.

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# Application of Cost Accounting Standards (CAS)

## Introduction

Cost accounting has always been central to managerial decision-making, pricing, budgeting, performance measurement, and regulatory compliance. In an environment where businesses operate across multiple products, services, plant locations, and cost centers, the need for consistency in cost measurement becomes even more important. Without a standard framework, cost figures can vary widely depending on the accounting methods adopted by different organizations, making comparison, analysis, and assurance difficult. Cost Accounting Standards (CAS) address this challenge by creating a structured set of principles that guide how costs should be classified, measured, assigned, and presented in cost statements.icmai+2

In India, CAS refers to the standards issued by the Cost Accounting Standards Board (CASB) of the Institute of Cost Accountants of India (ICMAI). These standards are designed to bring uniformity and consistency in cost accounting practices, particularly for industries required to maintain cost records or prepare cost statements. CAS is therefore not merely an academic framework; it is a practical tool used in manufacturing, services, regulated sectors, and certification engagements to improve reliability and comparability of cost data.icmai+2

The application of CAS has expanded steadily as cost information has become more important to regulators, management, lenders, investors, and auditors. In India, the CASB has issued a series of standards covering areas such as classification of cost, capacity determination, material cost, employee cost, overheads, depreciation, interest, and treatment of revenue. These standards now form the backbone of cost statement preparation and certification for many organizations. Their application is especially relevant where pricing, product profitability, efficiency analysis, transfer pricing of internal resources, or regulatory reporting depends on credible cost data.icmai+2

This article explains the meaning, objectives, scope, and practical application of CAS. It also discusses how the standards are used in day-to-day cost accounting, the sectors and situations where they matter most, implementation challenges, and the strategic value they add to businesses. The aim is to provide a comprehensive and practical understanding of how CAS functions in modern cost management.taxmann+2

## Meaning of CAS

Cost Accounting Standards are a set of codified principles and guidelines that establish how cost data should be recorded, classified, allocated, absorbed, and reported. The basic intent is to remove ambiguity and ensure that similar transactions are treated similarly across organizations and periods. In the Indian framework, CASB issues these standards with a structure that typically includes introduction, objectives, scope, definitions, principles of measurement, assignment of cost, and presentation and disclosure requirements.studocu+1

The standards are meant to ensure that cost information is not only accurate but also consistent and comparable. For example, the cost of materials may be treated differently if one company uses a particular valuation method while another uses a different method. CAS narrows such differences by specifying acceptable treatments and disclosure requirements. This makes cost statements more credible for management review, statutory reporting, and certification.icmai+1

In the broader global context, the term CAS is also used for the U.S. government's Cost Accounting Standards, which govern cost allocation in federal contracts and subcontracting. That system is separate from the Indian ICMAI framework and applies to government contractors under U.S. federal procurement rules. In this article, however, the emphasis remains on the Indian cost accounting standards issued by ICMAI, because that is the context most relevant to Indian industry and professional practice.dau+3

## Objectives of CAS

The core objective of CAS is uniformity. Cost accounting involves many judgments, such as how to classify a cost, how to allocate it across products or services, and how to deal with under- or over-absorption. CAS seeks to standardize these judgments so that cost figures become reliable and comparable. This helps management, auditors, regulators, and other users evaluate business performance with greater confidence.icmai+1

Another objective is transparency. When cost statements are prepared using standard principles, the basis of measurement becomes clearer. A cost accountant can explain why a particular amount was included, excluded, apportioned, or adjusted. This reduces disputes and strengthens the audit trail. It also helps external stakeholders understand the basis on which cost information has been compiled.icmai+1

A third objective is comparability over time and across units. If a company follows the same standard for multiple years, it becomes easier to compare one year's production cost with another's. Similarly, if multiple plants or divisions follow the same CAS-based method, management can compare their efficiency more meaningfully. This is especially useful in multi-location manufacturing or service organizations.icmai+1

CAS also supports regulatory compliance. Many Indian entities are required to maintain cost records or prepare cost statements under legal or sector-specific requirements. In such cases, CAS provides the technical foundation for accurate reporting. Where a cost accountant certifies the statements, adherence to CAS becomes essential, and non-compliance may need to be disclosed in the report or certificate.icmai+1

## CAS Framework in India

The Indian CAS framework is administered by ICMAI through its Cost Accounting Standards Board. The Board issues standards, guidance notes, and related materials to assist stakeholders in understanding the measurement and presentation of cost information. ICMAI's publications indicate that there are now 25 cost accounting standards, along with generally accepted cost accounting principles and guidance notes, reflecting the ongoing development of the framework.icmai+1

The standards cover a wide range of subjects. These include classification of cost, capacity determination, overheads, employee cost, material cost, direct expenses, cost of utilities, repairs and maintenance, depreciation, taxes, finance costs, treatment of subsidies, and revenue in cost statements. The existence of these standards shows that CAS is not limited to a single aspect of accounting; it is a comprehensive system covering major cost elements encountered by industry.taxmann+2

ICMAI has also stated that while formulating standards, CASB considers applicable laws, prevailing business practices in India, and relevant international principles. If any later legal change conflicts with a standard, the law prevails. This is important because CAS is intended to work within the legal and economic environment in which businesses operate, rather than remain a purely theoretical framework. The result is a set of standards that is both professional and practical, and that evolves to reflect changes in industry practice.icmai

## Scope of Application

The application of CAS is most visible in organizations that prepare cost records or cost statements. These may include manufacturing companies, service providers, infrastructure businesses, utilities, extractive industries, and regulated sectors. Where the law or regulator requires cost records, CAS helps structure the reporting process and improve the quality of the resulting statements.cmadalwadiasso+1

CAS is particularly relevant in industries where cost data affects pricing, tariff fixation, subsidy calculation, contract pricing, or margin analysis. For example, regulated industries such as power, telecom, petroleum, fertilizers, and transport may need credible cost information for regulatory review. In such contexts, standards-based costing improves the defensibility of figures and supports compliance with authorities.studocu+1

It is also important for enterprises that provide general-purpose cost statements. ICMAI's materials indicate that application of CAS is mandatory while preparing and certifying general-purpose cost statements. If the cost accountant believes that the standards have not been complied with, a suitable disclosure or qualification must be made in the audit report or certificate. This shows that CAS is not optional in the certification context; it is built into professional assurance requirements.icmai

The application can also extend to internal management reporting even where formal legal compulsion is absent. Many businesses voluntarily adopt CAS principles to improve the quality of cost information for pricing decisions, budget control, and profitability analysis. In such situations, CAS serves as a benchmark for cost discipline and reporting quality.taxmann+1

### Why CAS Matters

CAS matters because cost information is only useful when it is consistent. A business may track numerous costs, but if the methods used to classify and absorb those costs vary from one period to another, management decisions can be distorted. CAS reduces this risk by standardizing the underlying cost logic.icmai+1

CAS is also important because of its impact on pricing. In a competitive market, underestimating cost can lead to losses, while overestimating cost can make pricing uncompetitive. A standard cost framework helps ensure that product and service costs include the right components and reflect the correct basis of allocation. This is critical in cost-plus pricing, contract bidding, regulated tariff setting, and profit planning.studocu+1

Another reason CAS matters is auditability. When cost statements are prepared under defined standards, the audit process becomes more focused and objective. The cost auditor can verify whether the accounting treatment follows the standard, rather than debating ad hoc methods introduced by the enterprise. This strengthens assurance over reported cost data.icmai+1

Finally, CAS matters because it supports stakeholder confidence. Banks, regulators, boards, investors, and internal decision-makers all benefit from robust and standardized cost data. In sectors where cost competitiveness is a strategic advantage, standardized reporting can become a source of operational discipline and credibility.studocu+1

## Core Areas Covered by CAS

The CAS framework covers several major areas of cost accounting, each of which addresses a common source of variation in practice. The first area is classification of cost, which helps determine whether a cost is direct, indirect, fixed, variable, or semi-variable. Clear classification is the basis for all subsequent allocation and analysis.icmai+1

Another important area is capacity determination. Capacity affects overhead absorption and product cost. Standards in this area help determine normal capacity, practical capacity, or actual capacity depending on the context. This matters because overhead rates vary significantly depending on the capacity base used. If the wrong capacity basis is applied, product costs may be overstated or understated.icmai

Overheads are another major focus. CAS addresses production and operation overheads, administrative overheads, selling and distribution overheads, and their absorption methods. This is critical because overheads often represent a substantial portion of total cost, especially in capital-intensive industries and service organizations.icmai+1

CAS also covers material cost, employee cost, utilities, repairs and maintenance, depreciation, leases, finance cost, and other specific cost elements. Each of these can involve practical issues such as valuation, timing, allocation, or treatment of abnormal items. Standards reduce ambiguity and provide a reference point for consistent cost compilation.icmai+2

### Application in Cost Statements

The most direct application of CAS is in the preparation of cost statements. A cost statement is not just a collection of figures; it is a structured presentation of cost information that explains how the total cost of output or service has been built up. CAS ensures that each element is measured and presented in a standard manner.icmai+1

In a cost statement, direct materials, direct employee cost, direct expenses, overhead absorption, abnormal loss treatment, inventory valuation, and revenue recognition all need careful handling. CAS provides the basis on which these items are recorded. It helps the cost accountant decide what should be capitalized, what should be charged to the current period, and what should be disclosed separately.icmai+1

For example, if a company uses a mixture of production and service activities, CAS helps the accountant allocate common costs between the different outputs using a logical and consistent method. This is essential where the company prepares product-wise or activity-wise cost statements. ICMAI materials also note that unit-wise and product/activity-wise cost statements are mandatory under certain cost record rules, reinforcing the practical role of CAS in actual reporting.cmadalwadiasso

CAS therefore acts as the grammar of cost statements. It does not replace managerial judgment, but it ensures that judgment is exercised within a recognized and consistent framework. This increases the credibility of the report, especially when it is subject to certification or external review.icmai+1

### Application in Material Cost

Material cost is one of the most significant elements in manufacturing and some service sectors. CAS-based treatment of material cost helps determine how raw materials, packing materials, consumables, spare parts, and other inventories are valued and consumed. Consistency in this area is essential because even small differences in valuation can create large differences in reported product cost.taxmann+1

In practice, application of CAS to material cost affects purchase price, freight and handling, duties, taxes, discounts, wastage, and inventory valuation. The standards guide how such elements should be included or excluded from material cost. This helps avoid arbitrary treatment and ensures that the cost of material consumed reflects the true economic cost to the enterprise.taxmann

Material losses and abnormal wastage also require proper treatment. CAS principles help separate normal loss, which may be part of expected cost, from abnormal loss, which should be treated differently. This distinction is important for performance analysis because abnormal losses often indicate process inefficiency, quality problems, or external shocks.icmai

When material cost is standardized, product margins become more meaningful. Management can identify which products consume more costly inputs and whether procurement efficiency is improving over time. This supports better purchasing policy, vendor management, inventory control, and process optimization.studocu+1

### Application in Employee Cost

Employee cost includes wages, salaries, incentives, gratuity, bonus, leave encashment, and related benefits. CAS application in this area ensures that employee-related expenses are correctly assigned to cost centers, products, or services according to the benefit derived.taxmann+1

In many organizations, employee cost is split between production, administration, selling, and service functions. A CAS-based approach helps determine which portion should be treated as direct cost and which should be treated as overhead. For example, a line supervisor’s salary may be treated differently from a production operator’s wages. Such distinctions matter for accurate cost measurement.icmai+1

Employee cost also involves treatment of idle time, overtime, absenteeism, training costs, and separable fringe benefits. CAS encourages transparent handling of these items, improving the reliability of labor cost data. This is especially useful in labor-intensive industries and service businesses, where payroll often constitutes a major portion of total cost.studocu+1

By applying CAS to employee cost, organizations gain a clearer picture of labor productivity and cost trends. It becomes easier to compare wage cost across periods, departments, or locations. This assists in manpower planning, productivity improvement, and negotiation of service pricing.icmai

### Application in Overheads

Overheads are often the most difficult costs to manage because they are indirect and must be allocated or apportioned. CAS is especially valuable here because it defines the principles for collecting, grouping, and absorbing overheads in a consistent manner.icmai+1

Production or operation overheads include indirect materials, indirect labor, power, factory rent, supervision, and other shared expenses. Administrative overheads and selling and distribution overheads are treated separately because their behavior and cost drivers differ. CAS helps ensure that these categories are not mixed indiscriminately.icmai+1

The application of CAS in overhead accounting also concerns the treatment of under-absorption and over-absorption. When actual overheads differ from absorbed overheads, the difference must be dealt with according to the standard and the organization’s accounting policy. This matters because overhead under-absorption can distort unit cost and reduce the usefulness of cost and reduce the usefulness of cost statements.icmai+1

Proper overhead treatment under CAS supports better cost control. Management can identify unusual increases in indirect expenses, analyze overhead rates, and benchmark production efficiency. It also improves pricing decisions because absorbed overhead becomes more reliable and less susceptible to arbitrary allocation.studocu

### Application in Capacity Determination

Capacity determination is vital because overhead absorption depends on the level of activity used as the denominator. CAS has a specific standard for capacity because different capacity bases produce different overhead rates and therefore different product costs.icmai

In practical terms, capacity may be measured as installed capacity, actual capacity, practical capacity, or normal capacity depending on the purpose and the circumstances. The standardization of capacity concepts helps avoid manipulation or inconsistent selection of a favorable denominator. This is particularly important in industries with seasonal output, fluctuating demand, or significant downtime.icmai

The application of CAS in capacity determination is also linked to idle capacity. If a plant operates below normal capacity, some overhead may remain unabsorbed. CAS-based reporting helps identify whether the shortfall is due to inefficiency, market conditions, maintenance shutdowns, or force majeure. That distinction is crucial for correct cost interpretation.icmai+1

Accurate capacity measurement improves product costing, capacity planning, and capital investment decisions. It also helps management compare actual performance with expected operating levels and take corrective action when needed.taxmann

### Application in Depreciation and Finance Cost

Depreciation affects product cost by spreading the cost of tangible assets over their useful life. CAS supports consistent treatment of depreciation by guiding how assets should be grouped, depreciated, and assigned to cost objects. This is especially important in capital-intensive industries such as steel, cement, power, chemicals, and transport.taxmann+1

A CAS-based approach to depreciation helps reduce differences caused by arbitrary methods or inconsistent useful life assumptions. It ensures that depreciation reflects a systematic and rational allocation of asset cost over time. This improves cost comparability across accounting periods.icmai+1

Finance cost is another important item. In some situations, borrowing cost may be directly attributable to particular assets or activities, while in other cases it is part of general financing. CAS provides a structured approach to the treatment and disclosure of finance cost in cost statements. This matters because finance cost can materially affect reported product and project economics.taxmann+1

Accurate treatment of depreciation and finance cost supports long-term decision-making. It helps management assess asset productivity, capital structure, and the real economic cost of production. It also avoids the confusion that can arise when accounting and costing treatments diverge without disclosure.icmai+1

### Application in Service Sectors

CAS is not confined to manufacturing. It is also highly relevant to services, where cost drivers are often more complex and less tangible. Service organizations such as hospitals, telecom providers, logistics firms, educational institutions, consultants, transport operators, and utilities can benefit from CAS-based reporting.icmai+1

In services, the challenge is often to identify the cost object correctly. Instead of a physical product, the cost object may be a patient day, a flight, a kilometer hauled, a telecom connection, or a consulting engagement. CAS helps define how direct and indirect service costs are measured and assigned, enabling reliable service costing.icmai+1

This is particularly valuable where prices are regulated or contracts are negotiated on a cost basis. Standardized service costing helps the organization justify rates, understand the economics of each service line, and identify underperforming activities. In many cases, service organizations discover hidden inefficiencies only after cost records are structured under CAS principles.studocu

The growing importance of the service economy means that CAS is likely to remain increasingly relevant. As more organizations depend on service offerings, the need for consistent service costing will grow correspondingly.taxmann

### Application in General-Purpose Cost Statements

One of the most significant areas of CAS application is in general-purpose cost statements. These are statements prepared for users beyond internal management, such as regulators, lenders, or certification purposes. ICMAI indicates that application of CAS is mandatory while preparing and certifying such statements.icmai

General-purpose cost statements require a high degree of reliability because they may be used for external decision-making. If standards are ignored, the resulting figures may not be comparable or trustworthy. CAS therefore functions as the technical backbone of the statement, ensuring that methods of measurement and presentation are accepted and documented.icmai+1

Where non-compliance occurs, the cost accountant must consider disclosure or qualification in the report or certificate. This is an important safeguard because it alerts users to possible limitations in the reliability of the data. Such disclosure preserves professional integrity and helps prevent misleading conclusions.icmai

The practical implication is that CAS is not merely a training topic; it is a working rulebook for professional certification. This makes knowledge of CAS essential for cost accountants engaged in statutory or semi-statutory reporting.icmai+1

### Application in Cost Audit and Certification

CAS plays a central role in cost audit and certification because the auditor or certifying accountant must assess whether the cost statements comply with the prescribed standards. The presence of standard principles simplifies this task, as the audit is no longer based solely on individual preference or organizational custom.icmai+1

During audit or certification, the professional may examine whether classifications are correct, costs are measured consistently, overheads are properly absorbed, and disclosures are adequate. The standards give a common language for identifying departures and evaluating their effect. This supports more objective and efficient assurance work.icmai

Where deviations exist, the auditor may need to qualify the report or explain the implications. This is consistent with the professional duty to present a true and fair view of cost information within the framework of applicable standards. The result is stronger accountability in cost reporting.icmai+1

Cost audit and certification also benefit from CAS because they create repeatable benchmarks. Over time, an organization can be assessed against the same standards, improving continuity and reducing disputes over methodology.icmai

### Application in Decision-Making

The application of CAS extends well beyond compliance. It improves managerial decision-making by producing cost information that is structured, comparable, and more trustworthy. This matters in pricing, make-or-buy decisions, product mix decisions, capacity planning, inventory valuation, and investment appraisal.icmai+1

For pricing decisions, CAS-based cost figures help management understand the full cost of producing or delivering a product or service. For make-or-buy decisions, standardized cost data clarify the avoidable and unavoidable elements of cost. For product mix decisions, CAS helps isolate the profitability of each product line based on consistent costing assumptions.studocu+1

CAS also supports performance measurement. When cost information is reliable, managers can evaluate efficiency more accurately and identify trends that might otherwise be hidden. This helps in setting targets, managing budgets, and linking operational changes to financial outcomes.taxmann

In strategic planning, CAS can reveal whether a business has cost structures that are sustainable in the long run. It supports fact-based conversations about process redesign, automation, outsourcing, and scale expansion.studocu

### Implementation Challenges

Despite its benefits, CAS implementation can be challenging. One major issue is data quality. To apply standards correctly, the organization must maintain accurate records of materials, labor, overheads, capacity, and inventories. If the underlying records are incomplete, CAS compliance becomes difficult.deltek+1

Another challenge is system integration. Many businesses use ERP or accounting systems that were not originally configured for cost statements based on CAS. Aligning chart of accounts, cost centers, and allocation logic with CAS requirements can take time and investment. Where the organization has multiple plants or divisions, harmonizing practices can be even more complex.icmai+1

iTraining is another important issue. Managers, accountants, and operational staff need to understand why CAS matters and how it affects their work. Without training, standards may be applied mechanically or inconsistently. This can reduce the quality of reporting and increase the burden on the cost accountant.taxmann

The final challenge is judgment. CAS gives principles, but many costing situations still require professional interpretation. For example, deciding the most appropriate basis for allocation or deciding how to treat unusual items may involve judgment. The challenge is to exercise that judgment consistently and transparently.icmai+1

Benefits of CAS

The first major benefit of CAS is uniformity. It ensures that similar transactions are treated similarly, reducing inconsistency across periods and entities. This makes cost statements more useful for comparison and analysis.icmai+1

The second benefit is reliability. Standardized methods reduce arbitrary treatment, which improves the trustworthiness of reported cost figures. Reliable cost data is essential for management and external users alike.taxmann

The third benefit is better control. CAS makes it easier to identify cost drivers, inefficiencies, abnormal losses, and overhead issues. This strengthens cost control systems and supports corrective action.studocu

The fourth benefit is stronger compliance and auditability. When standards are followed, the organization can more easily demonstrate that its cost records and statements are well-founded.icmai+1

The fifth benefit is improved decision support. From pricing to expansion, standardized cost information helps management make more informed and defensible decisions.icmai+1

### CAS and the Future of Costing

The relevance of CAS is likely to grow as businesses become more data-driven and regulation becomes more detailed. Increasing complexity in products, services, supply chains, and shared resources means that cost allocation will remain a critical issue. CAS provides the conceptual structure needed to keep costing systems disciplined.icmai+1

Technology will also shape the future application of CAS. ERP systems, analytics platforms, and automated costing tools can make it easier to collect, classify, and allocate costs. However, technology alone does not guarantee consistency. CAS remains necessary to define the rules that software should follow.deltek+1

Sustainability reporting may further expand the importance of CAS. As companies seek to measure energy use, environmental costs, and resource efficiency, standardized cost principles can help integrate financial and non-financial data in a structured way. This may create new opportunities for CAS-based reporting in the years ahead.icmai

Professional education will continue to matter. As ICMAI updates standards and guidance notes, practitioners will need to keep pace with revisions and interpretations. The move from CAS-24 to the introduction of CAS-25 on valuation of inventory, as noted by ICMAI, indicates that the framework remains dynamic and responsive to changing needs.icmai

## Conclusion

Cost Accounting Standards provide the discipline that cost accounting needs in a complex business environment. Their application ensures that cost statements are prepared on a consistent, transparent, and comparable basis. Whether used for statutory records, certification, management reporting, or regulatory review, CAS improves the quality and credibility of cost information.icmai+2

In India, the CAS framework issued by ICMAI has become an essential part of professional cost accounting practice. Its standards cover the major components of cost and provide clear principles for classification, measurement, allocation, and presentation. In doing so, they support compliance, strengthen internal decision-making, and enhance the value of cost reports to external users.icmai+1

For businesses, the practical message is simple: CAS should not be treated as a mere formal requirement. When properly applied, it is a management tool that improves costing accuracy, exposes inefficiency, supports better pricing, and strengthens accountability. In a world where sound data drives sound decisions, the application of Cost Accounting Standards is both a technical necessity and a strategic advantage.studocu+1

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## Call for Articles ---- WIRC BULLETIN --- June 2026 Edition

**Theme for June 2026 WIRC Bulletin is AI, Blockchain & Finance: The Emerging Tech-Accountant**

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- **AI-enabled costing for smarter and data-driven decisions**
- **Blockchain for enhanced transparency and trust in records**
- **Predictive analytics to forecast trends and risks**
- **Automation streamlining accounting and audit processes**

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# Cost Audit Excellence: Evolving Standards & the SME Opportunity

## Every business owner tracks revenue. Very few track where the money is quietly leaking out.

Honestly speaking, most companies whether big and small — approach Cost Audit the same way they approach renewing a vehicle insurance policy. Mostly done because it has to be done. The report gets filed, the CMA gets paid, and the file gets shelved until next year. But here is what gets missed in that transaction: a well-conducted Cost Audit often holds the answer to questions that keep business owners awake at night. Why are margins slipping when sales are growing? Which product is quietly pulling the business down? Where is the factory losing money that the P&L will never show?

This article takes a practical look at what Cost Audit actually does, what is changing in its standards, and — very importantly — why small and medium businesses that are not even required to do it should still think like cost auditors. Because the discipline of understanding costs is not a compliance skill. It is a survival skill.

## First, the Basics — Who Needs Cost Audit and Why?

Cost Audit is mandated under Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014. Two categories of industries are covered — Table A, which includes regulated sectors like Pharmaceuticals, Sugar, Fertilisers, Petroleum Products, and Telecom, and Table B, covering industries like Steel, Cement, Textiles, Automobiles, Chemicals and so on... A practicing Cost Accountant (CMA) is appointed to examine whether cost records are maintained correctly and whether the cost statements reflect the true economic reality of the business.

The guiding framework is Cost Accounting Standards (CAS 1 to CAS 25), issued by ICMAI. These standards define precisely how material cost, labour, power, depreciation, other overheads, and interest should be measured. Without them, every company would compute costs differently — making comparison, benchmarking, and audit meaningless.

## A Real Story — The Pharma Company That Was Profitable on Paper

It was a routine cost audit appointment. The company — a mid-sized pharmaceutical manufacturer in Gujarat, turnover ₹280 crore, products spanning tablets, capsules, and ointments — was covered under Table A of the CRA Rules. On paper, everything looked fine. The financial audit was clean. The statutory compliances were up to date. The Managing Director greeted the Cost Auditor with a confident smile: 'Our accounts are very well maintained.'

The Cost Auditor asked one simple question to start: 'Can I see the product-wise cost sheet for the current year?'
What came back — after a 45-minute wait and three phone calls between the accounts team — was an Excel file. On opening it, the Cost Auditor noticed something immediately: the formulas in the cells referenced a sheet named 'FY 2021-22'. The accounts team had opened last year's file, typed the current year's totals in the summary cells, and presented it as the year's cost records. There was no reconciliation with the production department. No product-wise electricity allocation. Work-in-Progress was valued at RM consumption cost alone, with zero conversion cost component. The same 32% overhead absorption rate had been applied to tablets, capsules, and ointments alike — for at least four consecutive years.

**What Three Weeks of Proper Examination Revealed**

The Cost Auditor spent three weeks going back to the source documents — electricity bills cross-referenced against machine shift registers, packing material issue slips traced to actual production batch records, QC lab attendance registers verified against salary sheets. What emerged was a picture that shocked the management team:

**What the Numbers Actually Said:**

- The ointment manufacturing line — semi-automatic equipment, temperature-controlled chambers, high-speed mixers — was consuming nearly 3 times more electricity per batch than the tablet compression line. But because overhead was allocated equally, ointments appeared profitable. In reality, every tube sold was a small loss.
- Packing material wastage was running at 8% — foil rolls torn during high-speed blistering, labels misaligned on the labelling machine, cartons damaged in transit to the packing hall. Instead of being charged to product cost, the entire wastage was being written off to 'miscellaneous expense'. ₹34 lakh of annual wastage — invisible in the cost sheet.
- The Quality Control laboratory's entire annual salary bill of ₹42 lakh was absorbed into factory overhead and spread uniformly across all products. But QC testing time per batch for ointments was nearly double that for standard tablets. High-testing products were being artificially subsidised by low-testing ones.
- Three formulations sold to government hospitals under competitive tenders were priced below their actual cost of production — discovered only when the correct cost sheet was prepared. The company had been winning tenders by losing money.

## The Numbers — Before and After

| Product | Cost/Unit (Old Method) | Cost/Unit (Correct) | Margin Impact |
|---|---|---|---|
| Tablets (standard) | ₹ 4.20 | ₹ 3.95 | + ₹0.25 — actually more profitable |
| Capsules (antibiotics) | ₹ 6.80 | ₹ 7.10 | – ₹0.30 — margin narrower than assumed |
| Ointments (topical) | ₹ 18.50 | ₹ 23.40 | – ₹4.90 — actually loss-making |
| Govt. tender formulations | ₹ 9.20 | ₹ 11.80 | – ₹2.60 — sold below cost |

**What Changed After the Audit**

The Cost Auditor presented these findings as a management presentation to the Board — not a form to be filed. The MD, the same person who had smiled confidently on day one, sat quietly through most of it. At the end, he said: 'We have been busy for eight years. We should have been profitable for eight years. These are not the same thing.'

The changes were swift. Sub-meters were installed on the ointment floor. A formal wastage norm of 2.5% was set. Government tender formulations were repriced or discontinued. A simple two-page monthly cost MIS replaced the annual scramble. Packing wastage tightening alone recovered ₹18 lakh in one quarter. The MD later said: 'I thought the audit was for the government. I did not realise it was actually for me.

“The Cost Audit did not find fraud. It found facts that nobody had looked for — and those facts changed how the business was run.”

## The Bigger Opportunity — Small Businesses Don't Need a Law to Start

India's SME sector contributes over 30% of GDP and 40% of exports — and most of it is not covered under the CRA Rules. No statutory cost audit. No Form CRA-3. And yet these are precisely the businesses that need cost clarity the most, because when margins are thin, one poorly priced product does not just underperform. It bleeds the profits of every other product that is doing well. The following story is about one such business.

**The Rajkot Auto-Component Maker — A Story About Working Hard in the Wrong Direction**

Rameshbhai had built his precision machining unit in Rajkot over seventeen years. Forty-two workers. Eight CNC machines running two shifts. Fourteen different product SKUs — brackets, bushes, and pin components supplied to automobile OEM vendors in Gujarat and Maharashtra. His annual turnover was ₹3.2 crore. Not a number to be ashamed of.

But Rameshbhai had a problem that he could not explain to his bank manager, his wife, or himself. Every year, the accountant showed a profit. And every year, the bank account felt emptier than it should. He was working seven days a week. His machines were running. His workers were busy. Orders were coming in. So where was the money going?

A colleague suggested he speak to a practising CMA — not for a statutory audit, just to understand his costs better. Rameshbhai was sceptical. 'I have been in this business for seventeen years,' he said. 'I know my costs.' The CMA smiled and asked one question: 'Can you tell me how much it costs you to make one piece of your most complex pin component — including machine time, power, tool wear, and your setup cost per batch?' Rameshbhai went quiet.

**What Three Months of Cost Analysis Uncovered**

The CMA spent three months building what Rameshbhai had never had — a proper machine-hour rate for each of his eight CNC machines, a product-wise Bill of Material with actual yield loss factors, and a simple but honest allocation of electricity, tool consumption, and operator time to each SKU.

What came out of that exercise was not comfortable reading:

**What the Cost Review Found:**

- Rameshbhai had been pricing all 14 SKUs using one formula: raw material cost + 35% for everything else. But his CNC lathe machines ran at very different speeds for different components. A simple MS bracket took 4 minutes of machine time. A stainless steel pin component with tight tolerance required 22 minutes, two tool changes, and a higher rejection rate. Both were being priced as if they cost the same to make — they did not, not even close.
- Tool consumption — carbide inserts, drill bits, boring bars — was being charged to 'sundry manufacturing expense' as a lump sum and spread across all products equally. In reality, the pin components were consuming 60% of the total tool cost. This ₹11 lakh annual expense was being subsidised by the brackets and bushes.
- Two customers who placed the largest orders — and who Rameshbhai considered his 'best customers' — were actually his most expensive to serve. Their orders were for small batches of complex pins with frequent engineering change notes, short lead times, and high rejection claims. The cost of serving them — setup time, rework, express freight — was never captured in the pricing.
- Idle machine time was running at 22% — higher than the industry norm of around 12–15% for a unit of this size. But because overhead was spread on a simple percentage basis, the cost of idleness was invisible. It was being silently absorbed into every product's cost, making everything look more expensive to produce than it needed to be.

## The Numbers — What Was Really Happening

| Product Family | Old Pricing Margin | Actual Margin (After Review) | Root Cause of Gap |
|---|---|---|---|
| Brackets (5 SKUs) | 18–20% | 24–27% | Overcharged overhead — actually more profitable |
| Bushes (4 SKUs) | 18–20% | 10–13% | Tool cost & setup time undercaptured |
| Pin Components (5 SKUs) | 18–20% | −3% to +2% | Machine time 5x higher; batch size too small |

## The Conversation That Changed Everything

When the CMA placed this analysis in front of Rameshbhai, the room went quiet for a long moment. Then Rameshbhai said: 'The pins are the ones I am most proud of. They require the most skill. My workers are best at making them. And you are telling me they are the ones costing me money?'

'Not the product,' the CMA said. 'The pricing. The product is fine. The way you are charging for it is not.'

That distinction mattered. Rameshbhai did not walk away feeling like a failure. He walked away with a plan. Three pin SKUs with no path to profitable pricing were discontinued within 60 days. One customer accepted the new rates. One walked away — and Rameshbhai let them go without regret.

The bush family was repriced 8% upward at the next renewal, backed by a simple cost workings document that Rameshbhai himself presented to the purchase manager. The customer pushed back. When Rameshbhai showed the machine-hour records and tool consumption data, the negotiation changed tone. The increase was accepted.

**The Outcome — Six Months Later:**

- Revenue fell by ₹18 lakh — the discontinued pin SKUs and the lost customer.
- Net profit increased by ₹31 lakh in the same period.
- Cash flow turned positive for the first time in three years.
- Rameshbhai hired one more skilled CNC operator — confidently, because now he knew exactly which work was worth taking and which was not.

"I was working harder than ever. The cost review showed me I was working on the wrong things. — Rameshbhai, business owner"

## How Any SME Can Start — Three Practical Steps

**Step 1** — Know your product costs: Prepare a basic cost sheet for each major product — material, actual machine time, power, tool consumption, and overhead. Even a simple Excel sheet built honestly will reveal more than a year of gut-feel pricing.

**Step 2** — Track two or three numbers every month: Material consumed per unit of output. Machine utilisation percentage. Tool cost per product family. These three numbers alone will tell you more about your business health than any quarterly P&L statement.

**Step 3** — Get one day of expert review every year: A practising CMA spending one focused day with your cost data will typically identify savings or pricing corrections that pay back the professional fee within the first quarter. You do not need a statutory mandate to ask for this — you just need the willingness to look honestly at the numbers.

## Over to You — Reflections for the CMA Community

This article is not the end of the conversation — it is the beginning of one. As CMAs practising, each of us carries experiences that no textbook captures with the following questions:

**Questions for the Community:**
**Q1.** In your practice or in your organisation — how many clients or companies actually use Cost Audit data for management decisions? Or does the CRA-3 get filed and forgotten until next year?
**Q2.** Have you ever encountered a situation — like the pharma story above — where a properly conducted cost audit revealed something that fundamentally changed the client's business strategy or pricing?
**Q3.** For many SME owners, the first properly prepared product-wise cost sheet is a revelation — sometimes the first honest look at their own business in years. Have you had the experience of preparing that first cost sheet for a small business? What did it reveal, and how did it change the way the owner saw their business?
**Q4.**As AI, data analytics, and real-time ERP systems reshape the profession — what new skill or capability do you believe today's CMAs should actively develop to ensure Cost Audit remains a high-value, high-impact service for the next decade?
**Q5.** In your view, what is the one change — in approach, mindset, or practice — that would most elevate the quality and impact of Cost Audit across Indian industry? Your insight could shape the conversation for the entire community.

## In Closing — A Mirror, Not a Burden

A CMA who simply signs Form CRA-3 and moves on is delivering the bare minimum. The Standards on Cost Auditing expect the cost auditor to apply analytical procedures, document working papers, and communicate findings to the Audit Committee — not just the accounts team. Data analytics tools available on any laptop today can flag material cost anomalies, utility spikes, and margin variances in minutes. The cost auditor of tomorrow is part accountant, part analyst, and part business advisor.

For large companies, the message is clear: treat cost audit as a management tool, not an annual filing. For SMEs, the message is even simpler — you do not need a government mandate to start thinking about your costs. Rameshbhai did not. The pharma MD did not, until it was almost too late. The businesses that understand cost — really understand it, at product level, not just as a revenue-minus-expense calculation — are the ones that price intelligently, survive downturns, and grow profitably.
And for the practising CMA: every time you go beyond the form and help a client see their cost structure clearly, you are doing exactly what this profession was built to do.

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**Disclaimer:** All case illustrations are based on common industry scenarios for educational purposes and do not refer to any specific entity. Views are those of the authors in their personal capacity and do not represent the official position of ICMAI or WIRC.

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## Abstract

India's journey toward becoming a developed economy demands not only rapid growth but also efficient and sustainable utilisation of resources. This article highlights the pivotal yet often under-recognised role of Cost and Management Accountants (CMAs) as key enablers of such efficiency. It explores the omnipresence of CMAs across all levels — from household financial planning and rural development to urban governance, state administration, national policy, and global competitiveness. By applying advanced cost management techniques, CMAs transform data into strategic insights, optimise resource allocation, and enhance decision-making across sectors including manufacturing, agriculture, infrastructure, services, and emerging domains like fintech and startups. The article further emphasises the evolving role of CMAs in sustainability, digital governance, and policy integration, positioning them as future "Chief Value Officers." As India advances toward Vision 2047, CMAs emerge as silent architects of value,

## Introduction ---

CMA – The Silent Powerhouse: Omnipresent Architects of India's Economic Strength

## 1. Executive Overview: The Invisible Force Behind Visible Growth

**1.1** India's transformation into one of the fastest-growing major economies is visible across multiple dimensions — infrastructure expansion, digital revolution, manufacturing growth, and global trade integration. From expressways and smart cities to startups and fintech platforms, the country is witnessing unprecedented progress.

**1.2** However, growth without efficiency is inherently fragile. Rapid expansion, if not supported by disciplined financial planning and cost optimisation, can lead to wastage, fiscal stress, and long-term inefficiencies.

**1.3** At the core of ensuring efficiency lies a profession that often operates behind the scenes — the Cost and Management Accountant (CMA).

**1.4** CMAs are not merely accountants; they are strategic thinkers, cost architects, and decision enablers who ensure that economic activity translates into tangible value.

**1.5** In the modern economy, the key question is no longer how much is spent, but how effectively it is utilised. CMAs answer this question through analytical precision, strategic foresight, and operational understanding.

**1.6** As India transitions from a developing to a developed economy, the CMA's role evolves from cost controller to value creator and nation-building strategist.

**1.7** In a global environment defined by volatility, uncertainty, complexity, and ambiguity (VUCA), CMAs act as stabilisers — bringing clarity to chaos through structured cost intelligence and evidence-based decision-making.

## 2. Conceptual Framework: From Cost Accounting to Value Engineering

**2.1** The scope of CMA functions extends far beyond traditional bookkeeping or cost tracking. Their work is embedded in the broader framework of value creation.

**2.2** This framework operates as a continuous cycle:
Measurement → Analysis → Optimisation → Monitoring → Improvement

**2.3** CMAs provide cost visibility, identifying where resources are consumed and how efficiently they are utilised.

**2.4** They drive cost optimisation, eliminating inefficiencies without compromising essential functions.

**2.5** They enable value maximisation, ensuring alignment between expenditure and outcomes.

**2.6** This shift from cost-cutting to value engineering ensures long-term sustainability.

**2.7** CMAs also integrate cross-functional insights, combining financial, operational, and strategic perspectives to create holistic solutions rather than isolated fixes.

**2.8** Their role increasingly includes decision architecture design, where they help organisations structure choices in a way that naturally leads to optimal outcomes.

## 3. Micro-Level Impact: Building Strength from the Ground Up

**3.1 Household Financial Stability**

3.1.1 Economic resilience begins at the household level. Poor financial planning leads to vulnerability and long-term instability.
3.1.2 CMAs promote financial literacy, guiding individuals in budgeting, saving, and investment planning.
3.1.3 They introduce opportunity cost, enabling informed financial decisions.
3.1.4 CMAs assist in debt optimisation, reducing interest burdens.
3.1.5 With rising digital lending, CMAs create awareness about financial risks.
3.1.6 They enable inflation-adjusted planning to protect real value.
3.1.7 CMAs can also guide individuals in goal-based financial planning, aligning savings with life objectives such as education, housing, and retirement.
3.1.8 They can support behavioral finance interventions, helping individuals overcome irrational financial habits like overspending or under-saving.

**3.2 Rural Economy & Village Development**

3.2.1 Rural India requires efficient utilisation of limited resources.
3.2.2 CMAs design cost-effective infrastructure solutions.
3.2.3 Cluster-based models reduce costs.
3.2.4 CMAs strengthen FPOs.
3.2.5 They promote value addition.
3.2.6 They improve supply chain efficiency.
3.2.7 CMAs support rural entrepreneurship.
3.2.8 They design micro-finance models.
3.2.9 CMAs can enable digital marketplace integration for rural producers, reducing dependency on intermediaries and improving price realisation.
3.2.10 They also assist in cost benchmarking for rural schemes, ensuring government programs deliver measurable outcomes.

**3.3 Urban Governance & Smart Cities**

3.3.1 Urban areas face complex challenges.
3.3.2 CMAs optimise budgets.
3.3.3 They implement performance-based budgeting.

3.3.5 They enable benchmarking.
3.3.6 CMAs support integrated planning.
3.3.7 They structure municipal financing.
3.3.8 CMAs can design user-charge optimisation models, ensuring sustainability of public services like water supply and transport without overburdening citizens.
3.3.9 They contribute to urban resilience planning, analysing financial preparedness for disasters such as floods or pandemics.

## 4. Meso-Level Governance: Strengthening Regional Systems

**4.1 Taluka-Level Development**

4.1.1 CMAs improve efficiency in local industries.
4.1.2 They implement standard costing.
4.1.3 CMAs can support local cluster competitiveness strategies, helping regions specialise in specific industries.

**4.2 District-Level Planning**

4.2.1 CMAs ensure optimal allocation.
4.2.2 They enable dashboards.
4.2.3 They integrate development indicators.
4.2.4 CMAs can support participatory budgeting models, where citizens contribute to prioritising public expenditure.

**4.3 State-Level Fiscal Governance**

4.3.1 CMAs enhance fiscal discipline.
4.3.2 They support budgeting frameworks.
4.3.3 They improve PSU efficiency.
4.3.4 They design sustainability frameworks.
4.3.5 They improve procurement systems.
4.3.6 CMAs can also contribute to state-level economic forecasting models, helping governments anticipate revenue trends and expenditure pressures.

## 5. National Economic Architecture

**5.1** Fiscal Policy & Public Finance

5.1.1 CMAs contribute to tax efficiency.
5.1.2 They support restructuring.
5.1.3 They improve PSU performance.
5.1.4 They design subsidy systems.
5.1.5 CMAs can assist in designing outcome-linked fiscal transfers, ensuring funds allocated to states are tied to measurable performance indicators.

**5.2 Infrastructure & Capital Projects**

5.2.1 CMAs prevent overruns.
5.2.2 They enable PPPs.
5.2.3 They ensure lifecycle viability.
5.2.4 They conduct audits.
5.2.5 CMAs can implement real-time cost monitoring systems using digital tools, reducing delays and inefficiencies.

## 6. Global Competitiveness & Strategic Positioning

**6.1 Export Competitiveness**

6.1.1 CMAs design pricing strategies.
6.1.2 They manage global costs.
6.1.3 They support trade policy.
6.1.4 CMAs can enable value chain repositioning, helping Indian firms move from low-margin to high-value segments in global markets.

**6.2 Risk & Crisis Management**

6.2.1 CMAs forecast risks.

6.2.2 They build contingency models.
6.2.3 They conduct scenario analysis.
6.2.4 They design early warning systems.
6.2.5 CMAs can also integrate stress testing frameworks, widely used in banking, into broader sectors for resilience planning.

## 7. Solving Global Challenges through Cost Intelligence

**7.1 Climate & Sustainability**

7.1.1 CMAs design ESG frameworks.
7.1.2 They implement carbon costing.
7.1.3 They model climate risks.
7.1.4 CMAs can support green financing models, helping organisations access funding for sustainable projects.

**7.2 Food Security**

7.2.1 CMAs optimise supply chains.
7.2.2 They reduce wastage.
7.2.3 They design logistics systems.
7.2.4 CMAs can contribute to national food buffer cost planning, ensuring stability in supply and pricing.

**7.3 Financial Stability**

7.3.1 CMAs support debt management.
7.3.2 They design stability frameworks.
7.3.3 CMAs can contribute to global financial governance discussions, particularly in emerging economies.

## 8. Sector-Wise Deep Impact

**8.1** Manufacturing – efficiency
**8.2** Services – cost-quality balance
**8.3** Agriculture – profitability
**8.4** Infrastructure – lifecycle costing
**8.5** Sustainability – ESG
**8.6** Logistics – supply chain optimisation
**8.7** In the energy sector, CMAs can optimise cost of generation, distribution losses, and tariff structures, improving sector viability.

## 9. Emerging Domains: Expanding Frontiers

**9.1** Startups
**9.2** FinTech
**9.3** Defense
**9.4** Social Sector
**9.5** Digital Governance
**9.6** Platform Economy
**9.7** CMAs are increasingly relevant in data economy models, where monetisation of digital assets requires structured cost allocation and valuation.

## 10. Technology Integration: The Future Toolkit

**10.1** Predictive analytics
**10.2** Big data
**10.3** Blockchain
**10.4** AI
**10.5** ERP
**10.6** Digital twins
**10.7** AI audits
**10.8** CMAs can leverage cloud-based cost management platforms, enabling scalability and real-time collaboration across geographies.

## 11. Institutional Strengthening & Policy Integration

**11.1** CMAs are underutilised.

**11.2** Reforms needed:

- Policy inclusion
- Mandatory involvement
- Regulatory integration

**11.3** National Cost Intelligence Grid

**11.4** Establishing a CMA-led Public Finance Advisory Council can institutionalise their role in governance.

## 12. Vision 2047: CMA as a Nation Builder

**12.1** India requires efficient growth.

**12.2** CMAs act as strategists.

**12.3** They evolve into Chief Value Officers.

**12.4** CMAs will also play a role in global leadership, representing India in international economic and sustainability forums.

## 13. Conclusion: The Silent Backbone

**13.1** CMAs are everywhere.

**13.2** They convert cost into value.

**13.3** They ensure sustainability.

**13.4** They are indispensable.

**13.5** In a rapidly changing world, the CMA's ability to adapt, analyse, and optimise makes them one of the most future-proof professions.

**"CMA hai na."**

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# Cost Reduction without Value Destruction

How to Cut Smarter, Not Just Harder

## Introduction

Under sustained macroeconomic pressure, the instinct to cut costs is understandable. However, history is full of organisations that have done so aggressively, only to find their competitive position weakened, their best talent lost, and their innovation pipelines depleted.

The challenge for Cost and Management Accountants (CMAs) is not simply how to reduce costs, but how to do so without destroying value, eroding capability, or missing future opportunities.

## Understanding the Nature of Costs

Costs can be broadly classified into three categories:

**Value-Creating Costs**

These directly drive revenue, differentiation, or organisational capability. Examples include investments in product development, customer experience, key talent, brand building, and technology infrastructure. The objective is to maximise their return and not reduce them.

**Value-Enabling Costs**

These are necessary for the organisation to function but do not directly create value. They include compliance, governance, maintenance, and administrative activities. The objective is to manage them at the lowest sustainable level.

**Non-Value-Adding Costs**

These arise from inefficiencies such as redundant processes, manual tasks that can be automated, excess inventory, poorly negotiated contracts, duplication, delays, rework, and waste. They create friction without contributing to value and should be the primary focus of cost reduction initiatives.

The role of the CMA is to distinguish clearly between these categories. This requires not only financial analysis but also a deep understanding of organisational strategy, competitive dynamics, and behavioural drivers.

## The Problem with Conventional Cost Cutting

Traditional cost-cutting approaches tend to focus on what is visible and immediate like trimming expenses, postponing projects, and consolidating resources. However, these actions often carry hidden consequences that only become apparent over time.

Cost reduction that ignores value creation is not efficiency; it is value destruction disguised as prudence. Three common forms of value destruction include:

- **Capability destruction -** Loss of critical skills, systems, or processes that are costly or difficult to rebuild
- **Customer value erosion -** Decline in service quality, reliability, or customer experience
- **Opportunity loss -** Failure to capture emerging markets, technologies, or behavioural shifts

## The CMA’s Role: From Cost Cutter to Value Architect

Cost and management accountants are uniquely positioned to challenge this mindset. Their expertise spans cost behaviour, value creation, performance measurement, resource optimisation, and strategic decision-making.

CMAs must evaluate costs not merely as expenses, but as investments in capability, risk mitigation, and future growth. The modern mandate is clear: **ensure that cost reduction enhances value rather than diminishes it.**

## Approaches to Intelligent Cost Reduction

Here are the 4 approaches that can be adopted for intelligent cost reduction.

1. **Zero-Based Thinking**
   Treat every cost, process, and activity as if it were being incurred for the first time. This approach forces justification based on value contribution rather than historical precedent.
   It helps eliminate legacy inefficiencies and encourages reassessment of functions like:
   - Data capture and storage practices
   - Office space utilisation
   - Subscriptions and tools
   - Alternative, more cost-effective solutions

2. **Process Redesign**
   Rather than optimising existing workflows, organisations should redesign processes to eliminate non-value-adding activities and reduce total operating costs.
   This involves:
   - Defining the desired outcome first
   - Simplifying complex, time-consuming processes
   - Digitising manual, error-prone activities
   - Integrating processes to eliminate duplication

3. **Value Multipliers**
   Identify areas where relatively small investments can generate disproportionately high value.
   Examples include:
   - Implementation of real-time dashboards, automated variance analysis, and predictive analytics create a multiplier effect: decision-making becomes faster, more accurate, and more proactive.
   - Innovative inventory models, credit policies and vendor management can free up working capital and reduce borrowing cost. Savings can be redeployed for expansion and growth.
   - Investing in new technology add-on to reduce wastage, defects and raw material cost.
   - Increase client retention or repeat orders by investing in customer care.
   - Investing in training and development programmes can yield valuable cultural shift.

4. **Protecting Optionality**
   Optionality refers to an organisation's ability to respond to emerging opportunities with speed and flexibility. It is the power to take action ahead of the competitors.

   Excessive cost-cutting, particularly in innovation, research, and technology, can severely limit this capability. While such reductions may improve short-term margins, they often weaken long-term competitiveness.

   CMAs must therefore assess not only the immediate financial impact of cost decisions but also their effect on the organisation's ability to adapt, innovate, and grow.

## Conclusion

Cost reduction is not always damaging. It is necessary, healthy, and, when done well, a source of genuine competitive advantage. The discipline required to eliminate waste, rationalise complexity, and optimise resource allocation is a mark of distinction for any finance team.

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# Application of Cost Accounting Standard 10 (Direct Expenses) for Job Work Charges

Sometimes, Company outsources manufacturing of some products making it imperative to comply with Cost Accounting Standard 10 with respect to Job Work Charges

Company provides Raw Materials and Packing Materials and pays Job Work Charges ( i.e. Conversion Charges ) to Third Party who will process the Raw Materials on behalf of the Company.

In Product Cost Sheet, it should appear as separate Line Item.

There will be a Separate GL in Financial Accounting ( Say GL name is Job Work Charges ) from where the value will be picked up for Product Cost Sheet.

As Plant and Machinery are owned by Third Party, expenses like Consumable Stores, Repairs Expenses, Employee Cost, Depreciation, Insurance and other overheads will not appear as separate Line Items in Product Cost Sheet as these are incurred by Third Party and they are already included in Job Work Charges.

Advantage for the Company is that Company can focus on its Core Business Activities and at the same time, it can have its presence in non-core products by getting them manufactured by Third Party.

Following may be the Practical Situations ( As mentioned in Annexure I ) and their probable solutions.

## 1. Product Made on Job Work

One Profit Centre and One Product.
In Financial Accounts, In GL Job Work Charges, Value of Job Work Charges will be debited against the relevant Profit Centre / Cost Centre

This Value will appear in Product Cost Sheet

## 2. Product Made on Job Work

One Profit Centre but More Than One Products

In Financial Accounts, In GL Job Work Charges, Value of Job Work Charges for all the Products will be debited against the relevant Profit Centre / Cost Centre

For Individual Product Cost Sheet, Job Work Charges will be ascertained considering Production Volume and Job Work Charges Per Unit for Individual Product.

**ANNEXURE I**

| PARTICULARS | PRODUCT / PRODUCTS MADE ON JOB WORK BASIS | | Allocation / Apportionment/ Absorption |
|---|---|---|---|
| PROFIT CENTRE 1 | PRODUCT A | | IN PRODUCT COST SHEET OF A IT WILL APPEAR AS JOB WORK CHARGES |
| PROFIT CENTRE 2 | **FOLLOWING PRODUCTS ARE MADE:** | **Allocated to** | In Product Cost Sheet of Individual Product it will appear as Job Work Charges |
| | PRODUCT B | Product B | |
| | PRODUCT C | Product C | |
| | PRODUCT D | Product D | |
| | PRODUCT E | Product E | |
| | PRODUCT F | Product F | |
| | | On the basis of Production Qty multiplied by Job Work Charges Per Unit | |

**Following check list may be kept in view to comply with CAS 10 with respect to Job Work Charges**

**1.** It may be possible that Same Product Company Manufactures as well as gets it manufactured by Third Party.
In such situation, it is advisable to have separate Profit Centres / Cost Centres for both above.
Separate Product Code shall be provided to both the Products which shall enable Separate Cost Sheets for them.
This will enable to ascertain Cost as well as Margin from both the Profit Centres.
Some times, it also helps company to negotiate Job Work Charges with Third Part on the basis of Its Own Cost Sheet

**2.** For MIS purpose, Job Work Charges should should get reported as variable cost of the product.

**3.** At the time of executing Job Work Agreement, Raw Material Norms are usually decided mutually between Third Party and Company.

**4.** Job Work Charges for previous period should not be considered in Product Cost Sheet for the Current Year
Cost of previous period can not become part of current year cost records.

Sometimes revision of Job Work Contract takes frequent negotiation resulting into over lapping of the year in which the negotiation started and negotiation gets concluded in subsequent year with revision taking place from previous period in which the said contract has ended.

So entire amount of revision ( of previous period when contract has ended to current year when negotiation has concluded) gets accounted, booked and paid in current year.

So this amount of revision is required to be bifurcated between pertaining to previous year and pertaining to current year.
Amount pertaining to previous year to become part of reconciliation and amount pertaining to current to become part of product cost sheet

Proper working shall be maintained separating the values between Previous Year and Current Year.
This shall be useful for Inventory Valuation for Financial Accounts, for Cost Records, for Product Profitability Analysis and for Form CRA-3

Both Financial Auditor and Cost Auditor as well as may be Internal Auditor would insist for the revision working separating the revised negotiated values between Previous Year and Current Year

**5.** If some executive / executives are dedicated to look after / liaison with job worker to monitor the production, then salary of such executives should be allocated to Job Work Product

**6.** As Job Work Operations are carried out using the plant and machinery of 3$^{rd}$ Party Job Worker and in the premises owned by the Job Worker, the following expenses shall be incurred by 3$^{rd}$ Party Job Worker which shall form part of Job Work Charges Agreement

Utilities Cost like Electricity, Steam, Raw Water, DM Water, Cooling Tower, Compressed Air, Effluent Treatment etc
Employee Cost
Depreciation of plant, machinery, premises etc
Insurance
Consumable Stores
All AMCs / ARCs
Overheads

So these expenses should not appear in Cost Sheet
Instead, these expenses shall get reflected as Job Work Charges as per Agreement

7. CMAs can contribute Monitoring selling price vis a vis Job Work Charges

8. If the same product company manufactures through own plant and machinery as well as through 3rd party job worker, then CMAs can contribute during negotiation of Job Work Charges by comparing the comparable cost element of own manufacture with corresponding Job Work Charges
Here CMAs may insist with the 3rd Party Job Worker to provide the details of comparable cost elements to ascertain the reasonable of expenses for negotiation

9. CMAs can enable monitoring selling price of both the product self manufactured vis a vis manufactured through 3rd party job worker

10. There should be inventory balancing of every raw material
Opening stock + purchase = consumption +closing stock

11. There should be inventory balancing of finished product
Opening stock + production = external sales + closing stock

12. There should be inventory balancing of packing material
Opening stock + purchases = consumption + closing stock
( if applicable)

13. Where company has same product which is self manufactured and manufactured through 3rd party job worker, then for their raw material requirement it is preferable to place combined purchase order for better negotiation of the procurement price

14. Selling Price, Raw Material Procurement Price, Input / Output Ratio, Raw Material Inventory and Finished Product Inventory should be monitored for 3rd party Job Worker vis a vis self manufactured where CMAs can contribute through meaningful MIS Reports

15. There is a possibility of booking job work charges to a different gl. So one of the audit check point is to check job work charges gl with volume of production.
Trend of job work charges gl can be compared with trend of volume of production to highlight any incorrect booking, any abnormality

16. In Product Cost Sheet, job work charges should appear as separate line item with nomenclature as job work charges.

17. It may happen that same executive is looking after both 3rd party job work operation as well as new project of the same product which company is putting up for self manufacture
Under this situation, it becomes imperative to separate out employee cost pertaining to 3rd party job work operation and pertaining to new project related activities.
Employee cost pertaining to 3rd party job work shall be part of cost records and employee cost pertaining to new project shall be part of project cost
Proper working should be maintained for separation of employee cost between 3rd party job work and new project

**NOTE : VIEWS EXPRESSED ARE PERSONAL VIEWS OF THE AUTHOR**

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# Co-Operative Sector-Conceptual understanding

## Abstract-

Like as corporate sector, Cooperative sector is playing vital role in economic and social development in India. The idea of cooperation is not new to man. It is as old as man himself. Cooperatives are an almost universal form of organization today found in practically all countries and used by people in many ways. The cooperative movement in our country has deep roots, drawing inspiration from the ancient Indian ethos of "Vasudhaiva Kutumbakam" which translates to "the world is one family." This enduring principle of unity and mutual support has fostered the growth of cooperatives as vital institutions that empower local communities and drive grassroots development. In India, cooperatives have transformed countless lives by enabling marginalized communities to access resources, secure livelihoods, and participate in the economy. A Co-operative is a unique form of business used by people and businesses for their mutual benefit. Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement, which makes them well suited for economic development. The meaning of cooperation is that isolated and powerless individuals can, by combining with one another, achieve advantages available to the rich and the powerful so that they may advance not only materially but also morally. In other words, a cooperative is a business organization that is owned by those who use its services, the control of which rests equally with all the members. We will understand the cooperative sector, types of cooperative societies, their advantages and other important aspect through this article

## Introduction-

A cooperative can be defined in various ways; no single definition is sufficient for our understanding. A cooperative is an association of persons (organization) that is owned and controlled by the people to meet their common economic, social, and/or cultural needs and aspirations through a jointly owned and democratically controlled business/enterprise. The people of the cooperative are those who use its products, supplies, and/or services. Profits are also often returned to the members of the cooperative; however, cooperatives are often more focused on services members than for investments. Cooperatives can be created for several different reasons or to fulfil several different needs: jointly process goods, split costs, split control over work, purchasing power (bulk buys), shared employees, shared wages, etc.


## Principles of a Cooperative

i. **Voluntary and Open Membership:** Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

ii. **Member Economic Participation:** Members contribute equitably to, and democratically control, the capital of their cooperative.

iii. **Cooperation among Cooperatives:** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

iv. **Democratic Member Control:** Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions.

v. **Autonomy and Independence:** Cooperatives are autonomous, self-help organizations controlled by their members.

vi. **Education, Training, and Information:** Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute to the development of their cooperatives. They inform the public about the nature and benefits of cooperatives.

vii. **Work for Community:** Cooperatives work for the sustainable development of their communities through policies approved by their members.

## Understanding the Cooperative Societies-

A cooperative society is a voluntary organization where individuals with shared needs come together to achieve common economic goals. These societies are founded on principles of self-help and mutual assistance, aiming primarily to serve the interests of disadvantaged sections of society rather than to generate profits. Members pool their resources and utilize them collectively to derive shared benefits, making the cooperative structure distinct in its emphasis on community welfare.

## Some different types of Cooperative Societies in India:

| | |
|---|---|
| **Consumers' Cooperative Society** | Formed to provide consumer goods at reasonable prices, eliminating middlemen by purchasing directly from producers. Examples -Apna Bazar. |
| **Producers' Cooperative Society** | Supports small producers by providing necessary production items such as raw materials and equipment. Notable examples is Haryana Handloom. |
| **Cooperative Marketing Society** | Assists small producers in marketing their products by collectively selling on their behalf. The Gujarat Cooperative Milk Marketing Federation (AMUL) is a prominent example of this. |
| **Cooperative Credit Society** | Provides financial assistance to members by accepting deposits and granting loans at reasonable interest rates. Examples include Village Service Cooperative Society and Urban Cooperative Banks. |
| **Cooperative Farming Society** | Small farmers form these societies to gain benefits of large-scale farming. Examples include lift-irrigation cooperatives and pani-panchayats. |
| **Housing Cooperative Society** | Its offers affordable residential options by purchasing and developing land for members. Examples include Employees' Housing Societies and Metropolitan Housing Cooperative Society. |

## Advantages of Co-operatives

i. **Easy to form:-** The formation of cooperative society is very simple as compared to the formation of other form of business organization. Any two adults can come together and join their hand and form a cooperative society. The procedure of registration of the society is also very simple and easy. No legal formalities are required for the formation of cooperative society.

ii. **Open membership:-** The membership of co-operative societies is open to every person. Anybody wishing to enjoy the fruits of a co-operative can join it. Nobody is barred from joining societies based on economic position, caste, colour or creed. A person can enroll as a member any time he/she likes by contributing the minimum capital. He/she can also withdraw the membership whenever he does not like to continue as a member.

iii. **Democratic management:-** The management or co- operative is rest on the elected members from among themselves by forming a committee. Every member gas equal say in making policies of the society. "The one man, one vote" principle ensures a democratic management.

iv. **Main Service motto:-** The cooperative societies are formed not for profits but for providing service. The societies try to promote the interests of the members. A feeling of co-operation is created among members.

v. **Economical operation:-** The operation carried out by the cooperative society is economical due to the elimination of middlemen. The societies purchase goods directly from producers and sell them to the members at cheap at rates. The services of the middlemen are provided by the members at cheaper rate.

vi. **Low management costs:-** The management of a co-operative society is in the hands of persons elected by the shareholders. Members take active interests in the working of the society. Thus, the recurring and non-recurring costs are low.

vii. **Sharing of surplus/gain:-** The societies sell goods to its members on a nominal profit to cover up administrative costs. The surplus earned by the society is spent based on cooperative Act. After meeting the expenses, some portion of the surplus spent for welfare of the members, some portion kept as reserve and balance is distributed among the members.

viii. **Control/Check on business:-** The co-operative is started with service motive while all other forms of business are launched with a profit motive. When businessmen try to exploit consumers by increasing prices of their goods, co-operatives supply commodities at reasonable prices. The co-operatives provide a check on the business of the other forms of enterprises. Other traders will have to reduce their prices when co-operatives are supplying these goods at lower prices. Consumers are not at the mercy of selfish businessmen.

ix. **Having Limited liability:-** The liability of individual members is limited to the extent of shares purchased capital contributed by him. Thus, members can enjoy the benefits of limited liability. This makes them free from the tear of utilization of their private property, in case of financial crunch to the society.

x. **Internal financing source:-** It provides ample scope for internal financing by utilizing the balance of the surplus earned in any year for its growth, development and expansion, because the law governing co-operatives lays down restriction of dividend distribution.

xi. **Continuous existence:**- It enjoys the benefit of continuous existence, because its life is not affected by the death, insolvency, lunacy, permanent incapacity or conviction of a member. Therefore, it has stable life and continues to exist for a long period of time.

xii. **Satisfy the needs of needy persons:-** The co-operative organizations are best suited to meet the needs of the poorer sections of the India society. These solve their economic problems and improve their economic conditions.

xiii. **Perfect co-ordination:-** Service before self which is the guiding spirit of co-operation as the foundation of a co-operative organization makes them the best possible service organizations for promoting public interest and welfare. Since the members of a co-operative organization belong to a local area or a particular class or group who are entrusted by the ideals of co-operation, its management benefits from a perfect coordination among the members of the Managing Committee.

xiv. **Desirable form of business:-** The co-operative organization is desirable forms of business even from the social standpoint particularly because it lays more emphasis on the moral character and the development of personal qualities. It fosters a fellow feeling among its members and imparts those moral and educative values to their everyday life which are essential for a better living.

xv. **Reduction of glaring disparity in the National Income:-** Above all, the benefits and profits of a co-operative organization are enjoyed by those people who deserve such gains thereby reducing to some extent the glaring disparity.

## Role and Importance of Cooperative Society

Cooperatives are established with a view to improving the social economic condition of a poor section of society. In developing countries majority of the people are deprived economically and socially. In such a situation cooperatives are very important to uplift their condition.

**Economic Role:-** Cooperatives are important for improving the economic condition of the members.

Financial Assistance: - A credit cooperative society provides the credit to the members at reasonable interest rate. Banks are limited in urban areas and banks available in the rural areas don't want to grant small amount to the poor community. Cooperatives protect the members from the exploitation by local money lenders and others.

Fulfils needs of members:- A multi purposed cooperative society fulfils the various needs of the members by providing loans, supplying improved seeds, fertilizers, agricultural tools and other necessary goods and services. The members of the society can get these services under the suitable terms and condition.

Increase saving habit:- Cooperative societies develop the habit of saving among members. They encourage saving among members. They provide the interest on their saving and educate them to reduce unproductive expenditure.

Employment creation: - Cooperatives provide the credit to conduct the various productive activities. The members of the societies can start different productive activities in accordance with their skill and ability. It facilitates to solve the unemployment problems in some extent.

In addition, cooperatives help to improve the living standard of the members by providing employment opportunities and distributing quality goods at reasonable price. It promotes the concept of self-employment.

**Social Role:-** Like economic importance, cooperatives have social importance as well. They are based on principle of mutual help. Thus, the feeling of mutual cooperation is enhanced. They educate the members and create the social awareness.

**Political Role:-** In addition to the economic and social importance, cooperative have some political importance. They are based on principle of equality and equal distribution of income. Cooperatives are based on democratic norms and values. They promote individual freedom.

In this way cooperatives have economic, social and political importance. Because of this reason, cooperatives have been proved as a suitable form of business organization to uplift the social economic status of the poor people in developing countries.

## The Role of Cooperatives in Economic Development

Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement, which makes them well suited for economic development. The process of developing and sustaining a cooperative involves the processes of developing and promoting community spirit, identity and social organisation as cooperatives play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development.

Cooperatives are viewed as important tools for improving the living and working conditions of both women and men. Since the users of the services, they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community, which they serve. As cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them, among others benefits, higher income and social protection. Hence, cooperatives accord members opportunity, protection and empowerment -essential elements in uplifting them from degradation and poverty. As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members and keep markets efficient.

Regarding economic and social development, cooperatives promote the “Overall participation of all people” and facilitate a more equitable distribution of the benefits of globalization. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus, the promotion of cooperatives should be considered as one of the pillars of national and international economic and social development. In addition to the direct benefits they provide to members, cooperatives strengthen the communities in which they operate. Cooperatives are specifically seen as significant tools for the creation of decent jobs and for the mobilization of resources for income generation. Many cooperatives provide jobs and pay taxes for country.

## Conclusion

After considering all above aspect of cooperative sector, we can say that a cooperative is a unique form of business used by people and businesses for their mutual benefit. Regardless of its purpose or membership, starting a cooperative requires considerable time, energy, commitment, and technical resources. Recognition of a common need is fundamental to the formation and successful operation of a cooperative. Potential members must devote much time and energy to developing their new business. A cooperative requires member commitment to finance and use the business and select knowledgeable directors who hire a competent manager. A strategic business plan is important to harmonize all of the elements for the cooperative’s success. Hence, we can conclude that Cooperative sector became backbone of economy for developing countries like India.

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# Green Hydrogen


The Green Hydrogen Pilot Project at the Bhusawal Thermal Power Station (BTPS) in Maharashtra is a landmark initiative by MAHAGENCO to modernize its operations and reduce its carbon footprint. The project successfully completed trial runs in March 2025, proving the viability of using renewable energy to produce high-purity hydrogen for thermal power units.

## Key Project Details

Purpose: The plant replaces an aging 1994 hydrogen generation facility. The green hydrogen produced is used as a coolant for generators in the station's 210 MW, 500 MW, and new 660 MW units.

Capacity & Technology: It produces 20 cubic meters (Nm³/hr) of green hydrogen with 99.99% purity.

Renewable Source: The project integrates a 500 kW solar plant, ensuring that the electricity used for water electrolysis is entirely green.

**Investment:** The project was awarded to M/s ORAIPL in June 2023 for approximately ₹15.07 crore, which includes five years of operation and maintenance.

Strategic Importance

**Location:** Situated in Deepnagar, Bhusawal, the project leverages existing thermal power infrastructure while transitioning toward cleaner energy.

Broader Collaboration: Beyond this pilot, MAHAGENCO has signed a Memorandum of Understanding (MoU) with NTPC Green Energy Limited (NGEL) to develop large-scale green hydrogen projects across Maharashtra, potentially reaching a capacity of 1 million tonnes per annum.

**Policy Alignment:** This initiative aligns with the National Green Hydrogen Mission and Maharashtra's own green hydrogen policy, which offers various incentives for clean energy production.

Think of the Bhusawal Green Hydrogen project as a giant, eco-friendly "battery charger" for a power plant.

Usually, big power plants use hydrogen gas to keep their massive electricity generators from overheating. In the past, making this hydrogen often created pollution.


Here is the simple breakdown of what's happening in Bhusawal:

The "Green" Part: They installed a large solar power plant right on-site. Instead of using "dirty" electricity from the grid, they use pure sunlight to get the energy they need .

The "Hydrogen" Part: They take that solar energy and use it to split ordinary water into two things: Oxygen and Hydrogen. Since they use clean solar energy to do this, the hydrogen is called "Green Hydrogen".

The Job: This fresh, clean hydrogen is pumped into the generators at the Bhusawal Thermal Power Station to act as a coolant. It keeps the machines running smoothly and safely without the carbon footprint of the old method.

Why it matters: It's one of the first times a traditional coal power plant in Maharashtra is using "space-age" clean tech to help run its everyday operations. It's like a bridge between the old way of making power and a cleaner future.

To help you understand how this "magic" works and where else it's happening, here is a simple breakdown of the science and the state's bigger plans.

1. **How Solar Turns Water into Gas (The Science)**
   The process is called Electrolysis, and it works like a "chemical divorce" for water molecules.

   **The Power Source:** Solar panels capture sunlight and turn it into Direct Current (DC) electricity.

   **The Machine:** This electricity is sent to a device called an Electrolyzer (the heart of the Bhusawal plant).

   **The Split:** Inside the electrolyzer, two "probes" are placed in water. When the solar electricity flows through them, it creates a force strong enough to pull water ($H_2O$) apart.
   Hydrogen ($H_2$) bubbles up at one probe.
   Oxygen ($O_2$) bubbles up at the other.

   **The Result:** Because the power came from the sun, the hydrogen is "Green"—meaning zero pollution was created during the process.

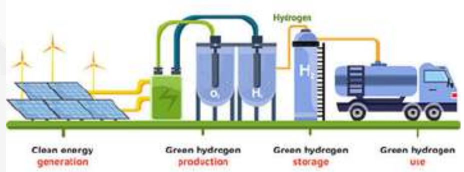
2. **Where Else is This Happening in Maharashtra?**
   The Bhusawal plant is just the "pilot" (the first test). Maharashtra has an ambitious goal to produce 500 kilotons of green hydrogen every year by 2030.
   **Key Upcoming Locations & Hubs:**
   **Pune:** Home to a planned "Hydrogen Valley", which will manage everything from making the gas to transporting it to local industries.
   **Industrial Hubs:** Dedicated hydrogen zones are planned for Mumbai, Nagpur, and Aurangabad.
   **Ports:** Jawaharlal Nehru Port (JNPT) in Navi Mumbai is being explored as a hub for exporting hydrogen and green ammonia to other countries.
   **Future Power Plants:** Following Bhusawal's success, MAHAGENCO plans to set up similar green hydrogen units at the Koradi and Chandrapur thermal stations.

## This green shift is moving beyond power plants and into the streets. Here's how it will change transportation and jobs in Maharashtra:

1. **Hydrogen on the Road**
   Since hydrogen is light and packs a lot of energy, it's perfect for heavy vehicles that find batteries too heavy or slow to charge.

   Long-Haul Trucks & Buses: Maharashtra is planning "Green Hydrogen Hubs" along major highways (like the Mumbai-Nagpur Samruddhi Mahamarg). You'll eventually see hydrogen filling stations—just like petrol pumps—where a truck can refuel in minutes and drive 600+ km with zero tailpipe emissions (only water vapor comes out!).

   Public Transport: Cities like Pune and Mumbai are eyeing hydrogen-powered civic buses. They run quieter than diesel and help clean up city air.




2. **New Job Opportunities**
   This isn't just about chemistry; it's a whole new industry. New roles are popping up in:
   Solar & Wind Tech: To make green hydrogen, we need massive amounts of renewable energy. This means thousands of jobs in installing and maintaining solar farms.

   Plant Operations: The "Electrolyzer" machines at places like Bhusawal need specialized technicians and engineers to run them.

   Safety & Logistics: Hydrogen needs special tanks and pipes. There's a growing need for safety auditors, pipeline welders, and specialized truck drivers.

   Research: With "Hydrogen Valleys" in Pune, scientists and data analysts are needed to make the technology cheaper and more efficient.

3. **The "Green" Benefit for You**
   Cleaner Air: Replacing diesel trucks with hydrogen ones significantly cuts down smog in industrial zones.
   Energy Independence: Instead of importing expensive oil from other countries, Maharashtra can "grow" its own fuel using its own sun and wind.

## To help you visualize how this technology works and who is leading the charge in Maharashtra, here is a simple explanation of the bus engine and the companies actively building this industry.

1. **How a Hydrogen Bus Engine Works**
   A hydrogen bus is essentially an electric bus that carries its own "power plant" instead of just a big battery. It uses a Fuel Cell to turn gas into electricity on the go.
   Storage: High-pressure tanks store pure hydrogen gas.
   The Reaction: Hydrogen is fed into the Fuel Cell Stack, where it meets oxygen from the outside air.
   Electricity Generation: An electrochemical reaction (not burning!) splits the hydrogen to create a flow of electricity.
   Movement: This electricity powers an electric motor that turns the wheels.
   Clean Exhaust: The only byproduct of this process is pure water vapor ($H_2O$), which drips out of the tailpipe.

2. **Companies Leading the Green Shift in Maharashtra**
   As of March 2026, several major players are actively hiring for green hydrogen and renewable energy projects in the state:
   **Reliance New Energy:** Building a massive "Giga Factory" ecosystem in Navi Mumbai for solar, batteries, and hydrogen electrolyzers.
   **Larsen & Toubro (L&T):** Focused on the infrastructure side, L&T is a key contractor for green hydrogen plants and recently announced plans for India's largest plant.
   **NTPC Green Energy Limited (NGEL):** Partnering with the state government to develop large-scale hydrogen hubs and export facilities.
   **Adani New Industries:** Actively investing in integrated green hydrogen projects including solar manufacturing and production facilities.
   **Thyssenkrupp Nucera:** A global technology provider with a strong presence in Mumbai, hiring engineers to design the electrolyzers used in these plants.
   **John Cockerill:** Another major equipment manufacturer hiring for site management and commissioning of hydrogen projects in Maharashtra.

   Maharashtra has one of India's most aggressive support systems for green energy, specifically through the Maharashtra Green Hydrogen Policy 2023 and the Renewable Energy & Energy Storage Policy 2025-26. These policies offer significant financial relief for both large-scale anchors and smaller startups.

## Subsidies for Green Hydrogen Businesses

If you are starting a business in production, transportation, or refueling, you can access several capital and operational benefits:

1. **Capital Subsidy (CAPEX):**
   Production: Up to 30% subsidy for setting up new green hydrogen plants, capped at ₹50 crore.
   Refueling Stations: The first 20 stations receive a 30% capital subsidy, capped at ₹4.5 crore per station.
   Pipelines: Construction of hydrogen pipelines (up to 10 km) is eligible for a 30% subsidy, capped at ₹2.5 crore.
   Operational Subsidy (OPEX): A production incentive of ₹50 per kg is provided for the first five years for green hydrogen blended with natural gas (CNG/PNG).
   Interest Subsidy: A 1% interest subsidy on term loans is available for 10 years for hydrogen transport projects.

2. **Land and Electricity Concessions**
   To reduce the high cost of entry, the Maharashtra Energy Development Agency (MEDA) provides:
   **Nominal Land Lease:** Government land is available for renewable energy and storage projects at a nominal lease of ₹1 per annum for 30 years.
   **Tax Exemptions:** 100% exemption from stamp duty, local body tax, and non-agriculture (NA) tax for project lands.
   **Electricity Duty Waiver:** 100% exemption on electricity duty for 10 years (standalone plants) or 15 years (hybrid plants).

Transmission Discounts: 50% to 60% concession on intra-state transmission and wheeling charges for 10 years.

**Support for MSMEs and Startups**

Smaller enterprises can benefit from general industrial incentives that apply to green tech:

**Single Window Clearance:** All registrations are integrated via a single web portal (MEDA) to speed up approvals.

**R&D Funding:** A new Start-up Centre for Renewable Energy has been allocated ₹100 crore per year to fund innovation in areas like agri-voltaics and new battery technologies.

**Skilled Manpower:** The state has a dedicated ₹40 crore budget to assist businesses in recruiting and training skilled workers for the green hydrogen sector.

## Conclusion:

The Bhusawal Green Hydrogen project is Maharashtra's bold first step into the future of clean energy. By using solar power to split water into fuel, the state is proving it can run heavy industry and power plants without polluting the air.


For you, this means a shift toward cleaner transport (hydrogen buses and trucks), a massive surge in specialized jobs, and a golden opportunity for businesses to grow using generous government subsidies. It is the beginning of an era where Maharashtra "grows" its own fuel from sunlight.

## Themes for WIRC Bulletin for the month of June 2026 to October 2026

| Month | Theme | Focus Area |
|---|---|---|
| June 2026 | AI, Blockchain & Finance: The Emerging Tech-Accountant | Exploring AI-enabled costing, blockchain transparency, predictive analytics, and automation in management accounting and audits. |
| July 2026 | The Cooperative Economy: Governance, Accountability & Financial Resilience. | Costing in cooperative entities, rural finance reforms, governance challenges, and CMA's contribution to transparent and efficient cooperative management. |
| August 2026 | Corporate Law and Governance 2026: The New Regulatory Architecture | Independent directors' roles, SEBI's related party frameworks, board evaluation, and the evolving compliance ecosystem under the Companies Act |
| September 2026 | Valuation, IBC & Social Audit: The New Dimensions of Governance | Startup valuations, insolvency cost frameworks, social impact audits, and the role of CMAs in ensuring accountability and ethical restructuring. |
| October 2026 | Internal Audit & Risk Management: The Changing DNA of Corporate Control | Strategic risk management, enterprise risk frameworks, internal audit innovations, and CMA's role in governance and assurance. |

**Clean Energy Future for Maharashtra**

The Bhusawal Green Hydrogen project marks Maharashtra's bold first step toward a cleaner and more sustainable energy future. By using solar power to split water and produce hydrogen fuel, the state is showing how heavy industries and power plants can operate with reduced pollution and lower dependence on conventional fuels.

This project is not just about clean energy; it represents a major shift toward cleaner transport through hydrogen-powered buses and trucks, while also opening new opportunities for specialized employment in technology, operations, infrastructure, and maintenance. For businesses, it creates a promising space to grow with the support of government incentives and subsidies.

The initiative reflects Maharashtra's vision to produce its own clean fuel from sunlight, reduce environmental impact, and build a future-ready energy ecosystem. Bhusawal's Green Hydrogen project can become a strong foundation for sustainable industrial growth in the coming years.

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# Strategic Cost Management: The Backbone of Make in India 2.0

**“Nations do not become manufacturing leaders by producing more; they lead by producing smarter, faster and more sustainably.”**

India stands at a decisive intersection in its economic evolution today. As global supply chains undergo structural realignment, geopolitical uncertainties reshape trade alliances and technological revolutions redefine industrial competitiveness, nations are racing to build resilient and self-sustaining manufacturing ecosystems.

India’s answer to this global transformation is the ambitious and forward-looking **“Make in India 2.0”** initiative, a strategic upgrade from capacity-driven growth to value-driven manufacturing leadership.

Since its launch in September 2014, Make in India has sought to transform India into a global manufacturing hub by encouraging domestic production, attracting foreign investment, strengthening industrial infrastructure and generating employment for its vast young workforce.

The initiative laid the foundation for industrial resurgence by focusing on improving the ease of doing business, simplifying regulations and expanding sectorial manufacturing opportunities.

However, the second phase of this national mission recognises a deeper industrial truth: sustainable manufacturing leadership is not built solely through policy incentives or infrastructure expansion.

A powerful yet often underappreciated factor drives it: **Strategic Cost Management (SCM).** As India moves toward global manufacturing prominence, SCM is emerging as the intellectual and operational backbone enabling industries to balance competitiveness, quality, innovation and sustainability.

## From Policy Vision to Industrial Transformation

The original Make in India initiative was launched with clear objectives: increasing manufacturing’s contribution to GDP, generating nearly 100 million manufacturing jobs, enhancing global competitiveness, strengthening infrastructure and promoting innovation.

Over the past decade, these efforts have produced tangible results. India has emerged as the world’s second-largest mobile phone manufacturer, strengthened indigenous defence production capabilities, expanded renewable energy manufacturing and built one of the fastest-growing start-up ecosystems globally.

Yet, despite these achievements, manufacturing still contributes approximately 16–17% of India’s GDP, falling short of the ambitious 25% target. The challenge is no longer about industrial expansion alone. The challenge lies in transforming India from a **cost-advantaged manufacturing destination into a cost-intelligent manufacturing leader.**

This is precisely where Strategic Cost Management becomes indispensable.

## Beyond Cost Reduction: The Strategic Dimension

Traditional cost management approaches focus largely on reducing operational expenses. Strategic Cost Management, however, adopts a far broader perspective.

It integrates cost efficiency with long-term strategic goals, enabling organisations to design cost structures that support innovation, productivity and competitive positioning.

In the context of Make in India 2.0, SCM empowers organisations to answer critical leadership questions:

- How can Indian manufacturing remain globally competitive beyond government incentives?
- Where do hidden inefficiencies exist across the production value chain?
- How can cost optimisation drive technological innovation rather than restrict it?
- How can industries maintain profitability while meeting global sustainability standards?

Strategic Cost Management shifts organisational thinking from short-term savings to long-term value creation. It encourages businesses to analyse cost drivers, optimise resource allocation and build operational resilience that sustains competitiveness even during global economic disruptions.

## Make in India 2.0: From Cost Advantage to Cost Leadership

Historically, India's manufacturing growth benefited significantly from relatively lower labour costs.

However, modern global manufacturing competitiveness is increasingly shaped by productivity efficiency, supply chain agility, digital integration and consistent quality assurance.

Make in India 2.0 acknowledges this transformation by shifting policy focus toward advanced manufacturing sectors, including electronics, semiconductors, aerospace, biotechnology, renewable energy, defence and electric mobility.

The initiative now covers 27 strategic sectors and is strongly supported by Production Linked Incentive (PLI) schemes designed to boost domestic production and export competitiveness.

Strategic Cost Management plays a vital role in this transition by enabling industries to identify cost drivers across operations, optimise production efficiency through lean methodologies, leverage economies of scale and integrate advanced technology solutions. Organisations that adopt SCM frameworks are better equipped to maintain profitability while competing in demanding international markets.

## Strengthening Production Linked Incentive (PLI) Schemes

The PLI programme represents one of India's most influential industrial policy interventions.

By providing performance-linked financial incentives across 14 major sectors, including electronics, pharmaceuticals, renewable energy, automobiles and textiles, PLI has significantly accelerated domestic manufacturing investments.

However, incentives alone cannot guarantee sustainable industrial growth. Companies must develop efficient cost structures capable of remaining competitive even after incentive periods conclude.

Strategic Cost Management strengthens PLI implementation by enabling organisations to evaluate investment feasibility, optimise production processes to achieve performance benchmarks, improve capacity utilisation and strengthen compliance and governance frameworks.

By embedding SCM into PLI-driven expansion strategies, companies transform temporary policy support into long-term competitive strength.

## Lean Manufacturing and Continuous Improvement Culture

Lean manufacturing has emerged as a critical operational philosophy supporting Make in India 2.0. By eliminating waste, streamlining workflow processes and enhancing quality standards, lean practices improve production efficiency and reduce operational costs.

Strategic Cost Management complements lean manufacturing by providing analytical frameworks that measure improvement outcomes and identify process inefficiencies.

Organisations adopting SCM-driven lean models experience reduced material wastage, improved production cycle efficiency, enhanced product consistency and stronger profitability margins.

More importantly, SCM promotes a culture of continuous improvement, ensuring that cost optimisation becomes an enduring organisational capability rather than a one-time operational exercise.

## Supply Chain Localisation and Industrial Resilience

Global supply chain disruptions, particularly during the COVID-19 pandemic, exposed vulnerabilities associated with excessive import dependence.

Make in India 2.0 strongly emphasises domestic supply chain development to enhance manufacturing resilience and reduce external market dependencies.

Strategic Cost Management supports supply chain localisation by helping organisations evaluate total sourcing costs, vendor performance efficiency, logistics optimisation and risk management strategies.

Localised supply chains not only ensure production continuity during global disruptions but also strengthen MSME participation in industrial ecosystems.

Given that MSMEs contribute nearly 30% of India's GDP, generate over 110 million jobs, and account for approximately 45% of exports, strengthening their integration into domestic manufacturing supply chains is essential for sustainable industrial expansion.

## Digital Transformation: The New Cost Intelligence Frontier

The rise of Industry 4.0 technologies is reshaping global manufacturing cost structures. Artificial Intelligence, Internet of Things, automation, cloud computing and advanced analytics is enabling real-time monitoring of production processes and predictive operational insights.

Strategic Cost Management enables organisations to leverage digital technologies to track cost drivers dynamically, reduce downtime through predictive maintenance, optimise inventory management and enhance production planning accuracy.
Digital transformation reduces operational waste and significantly improves productivity, positioning Indian manufacturers to compete effectively in global markets.

## The Strategic Role of Cost and Management Accountants (CMAs)

As manufacturing complexity increases, Cost and Management Accountants are emerging as strategic leaders driving industrial transformation.

Their role extends beyond financial reporting to include value chain analysis, cost driver identification, performance benchmarking and investment decision support.

CMAs contribute significantly by designing cost frameworks aligned with business strategy, supporting compliance under government incentive schemes, advising leadership on capital investments and strengthening financial governance systems.

Their analytical expertise enables organisations to balance financial discipline with operational innovation, ensuring sustainable manufacturing growth.

## Sustainability and Green Manufacturing Imperatives

Global manufacturing competitiveness increasingly depends on environmental sustainability. Regulatory frameworks, international trade standards and stakeholder expectations are driving industries toward green manufacturing practices.

Strategic Cost Management helps organisations evaluate the long-term financial benefits of sustainability investments, including renewable energy adoption, energy-efficient technologies and waste recycling systems.

Although green manufacturing requires initial capital investment, it delivers significant long-term cost savings, regulatory compliance benefits and stronger global brand positioning.

In the evolving global industrial landscape, sustainability is no longer a corporate responsibility; it is a strategic competitive necessity.

## Human Capital: The Productivity Multiplier

Technology alone cannot drive manufacturing transformation. Workforce capability remains the most critical productivity multiplier.

Make in India 2.0 places strong emphasis on skill development through initiatives such as Skill India and sector-specific training programmes aligned with Industry 4.0 technologies.

Strategic Cost Management supports human capital development by evaluating training effectiveness, productivity metrics and workforce efficiency.

Organisations investing in multi-skilled talent, innovation culture and performance-driven workforce models achieve superior operational outcomes and sustained cost competitiveness.

## Overcoming Implementation Challenges

Despite its strategic significance, SCM adoption faces several implementation challenges. Many organisations encounter resistance to change, limited digital infrastructure and a lack of awareness regarding advanced cost management tools.

Successful implementation requires strong leadership commitment, continuous professional development, integration of technology-driven data management systems and organisational recognition of SCM as a strategic enabler rather than merely a financial control mechanism.

## The Way Forward: Building India's Global Manufacturing Identity

Make in India 2.0 represents India's aspiration to emerge as a trusted global manufacturing partner.

Strategic Cost Management will play a decisive role in achieving this vision by helping industries integrate efficiency, innovation and sustainability into their operational frameworks.

Future industrial success will depend on the seamless integration of policy incentives, digital transformation, supply chain resilience, green manufacturing and human capital development.

Organisations that embed SCM into their strategic planning will gain long-term competitive advantage and contribute significantly to India's manufacturing excellence.

## Conclusion

India's ambition to become a global manufacturing powerhouse and a "Vishwaguru" in industrial excellence requires far more than production expansion. It demands intelligent cost structures, technological innovation, operational resilience and sustainable growth models.

Strategic Cost Management provides the foundational discipline that enables industries to achieve this balance. By transforming cost management into a strategic leadership tool, SCM empowers Indian manufacturers to compete globally while maintaining financial strength and operational efficiency.

As Make in India 2.0 continues to redefine India's industrial narrative, organisations that embrace strategic cost intelligence will not only drive corporate success but also accelerate the nation's journey toward economic leadership and global manufacturing prominence.

**"The future of Made in India will not be defined by how much we manufacture, but by how intelligently, efficiently and responsibly we create value for the world."**

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# Reimagining Cost Audit in the Age of Digital Transformation

## Abstract:

The rapid evolution of digital technologies spanning artificial intelligence (AI), blockchain, big data analytics, the Internet of Things (IoT), and cloud computing is profoundly reshaping how organisations manage and audit their costs. Traditional cost audit frameworks, long anchored in manual verification, periodic sampling, and static financial reporting, are increasingly inadequate in environments defined by real-time data flows and complex, multi-layered supply chains. This article investigates the convergence of cost audit practice with digital transformation, examining how emerging technologies are redefining the scope, methodology, and strategic relevance of cost auditing. Drawing on recent scholarly literature and practitioner insights, the paper argues that cost audit must evolve from a compliance-driven exercise into a dynamic, intelligence-led mechanism for organisational value creation. The article further identifies critical challenges in this transition including data governance, skill deficits, and regulatory ambiguity and concludes with a forward-looking framework for modernising cost audit in the digital era.

## 1. Introduction

Cost audit, as a statutory and managerial instrument, was originally conceived to ensure the accuracy of cost records, detect inefficiencies, and foster accountability in resource utilisation. For decades, it operated within a relatively stable paradigm one built on standardised costing formats, periodic inspections, and auditor judgment grounded in physical verification. However, the fourth industrial revolution has dramatically altered the operating landscape for businesses worldwide. Digital transformation defined here as the integration of digital technology into all areas of a business, fundamentally changing how organisations operate and deliver value is not merely a technological upgrade. It represents a structural shift in how information is generated, processed, stored, and interpreted. For cost auditors, this shift presents both unprecedented opportunities and formidable challenges. The sheer volume, velocity, and variety of data now available within modern enterprises demand a rethinking of audit tools, audit objectives, and the very philosophy underpinning cost assurance.

This article posits that the future of cost audit lies not in the abandonment of its foundational principles' accuracy, fairness, transparency, and accountability but in the radical reimagination of the means by which these principles are upheld. Sections that follow explore the limitations of conventional cost audit, the technologies driving disruption, emerging best practices, and a proposed framework for a digitally integrated cost audit model.

## 2. The Inadequacy of Traditional Cost Audit Frameworks

Conventional cost audit methodologies were designed for an era characterized by relatively predictable production processes, manageable data volumes, and clearly demarcated cost centres. However, several structural limitations have rendered these approaches increasingly obsolete.

**(1)** Traditional cost audits are predominantly retrospective. They examine historical cost data, typically compiled at quarter-end or year-end intervals, and are therefore unable to flag emerging cost distortions in real time. In fast-paced industries such as e-commerce, pharmaceuticals, or advanced manufacturing cost structures can shift within days, rendering periodic audit cycles strategically ineffective (Bhimani & Willcocks, 2014).

**(2)** The sampling-based approach, while statistically defensible, inherently leaves large portions of cost records unexamined. In an environment where a single erroneous algorithm or a mispriced batch of raw materials can cascade across thousands of transactions, sampling alone is insufficient to provide comprehensive assurance.

**(3)** The skill set traditionally associated with cost auditing expertise in cost accounting standards, manufacturing processes, and financial reporting does not naturally extend to the analytical competencies required in a data-rich digital environment. Auditors with limited proficiency in data analytics, machine learning, or enterprise resource planning (ERP) systems are ill-equipped to interrogate modern cost architectures (Appelbaum et al., 2017).

**(4)** Regulatory frameworks governing cost audit in many jurisdictions remain tethered to industrial-era assumptions. While bodies such as the Institute of Cost Accountants of India (ICAI) have made incremental updates, a comprehensive overhaul aligned with digital business models including platform economies, subscription pricing, and software-as-a-service cost structures remains elusive.

## 3. Digital Technologies Reshaping the Cost Audit Landscape

### 3.1 Artificial Intelligence and Machine Learning

Artificial intelligence (AI) and machine learning (ML) are perhaps the most transformative forces in the audit profession today. In the context of cost audit, AI can automate the classification of cost transactions, detect statistical anomalies in expense patterns, and predict future cost behaviour based on historical trends. Natural language processing (NLP) tools can extract cost-relevant information from unstructured data sources including contracts, vendor invoices, and correspondence that were previously inaccessible to formal audit procedures.

Machine learning models trained on industry-specific cost benchmarks can flag deviations from expected cost-to-output ratios, enabling auditors to prioritise areas of risk with far greater precision than manual judgment alone (Issa et al., 2016). Importantly, these models become progressively more accurate as they ingest greater volumes of organisational data, creating a compounding advantage for organisations that invest in AI-enabled audit infrastructure early.

### 3.2 Big Data Analytics

Modern enterprises generate enormous volumes of operational data machine sensor readings, procurement records, logistics data, energy consumption metrics all of which carry cost implications. Big data analytics platforms, such as Apache Hadoop and Spark, enable the processing and analysis of these datasets at scale, transforming what was once noise into structured audit evidence.

For cost auditors, the ability to perform population-level analysis rather than sample-based review represents a categorical improvement in audit rigour. Every transaction can be tested against predefined cost norms; every variance can be investigated, not merely noted. This shift from sampling to census-based analysis is arguably the most significant methodological advancement in the history of the cost audit profession (Davenport & Harris, 2007).

### 3.3 Blockchain and Distributed Ledger Technology

Blockchain technology offers a tamper-proof, chronologically ordered ledger of transactions that can serve as an incorruptible source of audit evidence. In supply chain cost auditing, for instance, blockchain can record the cost and provenance of each input at every stage of the production process from raw material extraction to final assembly creating a fully traceable cost genealogy.

Smart contracts self-executing agreements encoded on blockchain platforms can automate the enforcement of cost-related contractual terms, reducing the risk of human error or deliberate manipulation. The immutability of blockchain records also mitigates the risk of post-hoc alteration of cost data, a persistent concern in forensic cost investigations (Yermack, 2017).

### 3.4 Internet of Things (IoT) and Real-Time Costing

The Internet of Things enables the continuous monitoring of physical assets machinery, vehicles, utilities infrastructure through networked sensors. For cost auditors, IoT data provides a real-time window into the actual consumption of resources, making it possible to reconcile standard costs with actual usage at a granularity previously unachievable.

In manufacturing environments, for example, IoT-enabled cost monitoring can distinguish between productive machine time, idle time, and downtime, allowing auditors to assign costs with far greater precision. Similarly, in the energy sector, IoT data supports granular cost allocation across production units, improving both the accuracy and the defensibility of cost audit findings (Lee & Lee, 2015).

### 3.5 Cloud Computing and Collaborative Audit Platforms

Cloud-based ERP systems including SAP S/4HANA, Oracle Fusion, and Microsoft Dynamics 365 have centralised cost data across organisational boundaries, enabling auditors to access live financial records without physical visits or file transfers. Cloud platforms also facilitate collaborative audit workflows, allowing audit teams, management, and regulatory bodies to interact in shared digital environments.

Beyond accessibility, cloud computing supports the scalability of audit operations. Organisations that expand geographically or structurally can extend their cost audit coverage without proportionally increasing audit staff, provided the cloud infrastructure is appropriately configured and secured.

## 4. Emerging Models of Digitally Integrated Cost Audit

The convergence of the above technologies has given rise to several emerging audit models that merit the attention of practitioners and standard-setters alike.

Continuous auditing, as conceptualised by Vasarhelyi and Halper (1991) and subsequently elaborated by numerous scholars, involves the ongoing, automated assessment of financial and operational data against predefined control thresholds. Rather than waiting for periodic audit cycles, continuous auditing systems generate real-time alerts when cost parameters deviate from acceptable ranges. This model is particularly suited to high-transaction environments retail, logistics, financial services where cost structures are both volatile and complex.

Predictive cost auditing extends the continuous model by incorporating forward-looking analytics. Using historical cost data, seasonal patterns, and macroeconomic variables, predictive models can forecast likely areas of cost overrun or under-recovery before they manifest in financial statements. This shifts the cost auditor's role from that of a retrospective verifier to a prospective risk advisor a transition with significant implications for professional standards and liability frameworks (Brown-Liburd et al., 2015).

Forensic costing platforms, powered by AI, are increasingly deployed to detect fraudulent cost inflation, fictitious vendor transactions, and related-party transfer pricing abuses. These platforms cross-reference internal cost records with external market data, tax filings, and publicly available procurement databases to identify inconsistencies that would escape detection in a conventional audit.

## 5. Challenges and Risks in the Digital Transition

Notwithstanding the transformative potential of digital technologies, the transition to a digitally integrated cost audit model is beset by significant challenges that must be candidly acknowledged.

**(1)** Data governance and integrity represent perhaps the most fundamental concern. Digital audit tools are only as reliable as the data they process. Poorly structured databases, inconsistent chart-of-account taxonomies, and fragmented ERP implementations can produce unreliable outputs that mislead rather than inform audit judgment. Establishing robust data governance frameworks including data lineage documentation, master data management protocols, and access control hierarchies is a prerequisite for effective digital cost auditing (ICAI, 2020).

**(2)** Cybersecurity threats introduce a new category of audit risk. Cost data housed in cloud environments is susceptible to external breaches and insider threats. The confidentiality of cost audit findings which often reveal sensitive operational and competitive intelligence demands that audit platforms be secured to the highest cryptographic standards.

**(3)** The digital skills gap within the cost audit profession is a pressing concern. The transition from manual to digital audit methodologies requires cost auditors to develop proficiency in data science, programming languages (particularly Python and R), and digital forensics. Professional bodies must urgently revise their competency frameworks and examination syllabi to reflect these demands.

**(4)** Regulatory uncertainty remains a structural impediment. Current cost audit standards in most jurisdictions do not explicitly address AI-generated audit evidence, blockchain-based cost records, or the use of algorithmic anomaly detection in place of manual testing. Until regulators provide clear guidance on the admissibility and weighting of digital audit evidence, practitioners will remain exposed to legal and professional liability.

## 6. A Framework for Future-Ready Cost Audit

Based on the foregoing analysis, the following framework is proposed for organisations and regulatory bodies seeking to modernise cost audit practice in a digitally transformed environment. However, four important pillars of future-ready cost audit clear from the following (Figure 1) and a brief discussion of the same.

**(1) Technology Integration:** Organisations should invest in AI-enabled audit analytics platforms, IoT-based real-time cost monitoring, and blockchain-enabled cost traceability. Technology adoption should be guided by a phased implementation roadmap that prioritises areas of highest cost risk.

**(2) Competency Development:** Professional bodies should introduce specialised certifications in digital cost auditing. Existing cost auditors should be provided with structured upskilling pathways covering data analytics, ERP architecture, and cybersecurity fundamentals.

**(3) Regulatory Modernisation:** Standard-setting bodies must develop guidance on the use of digital evidence in cost audit, including standards for AI model validation, data integrity certification, and the documentation of algorithmic audit procedures.

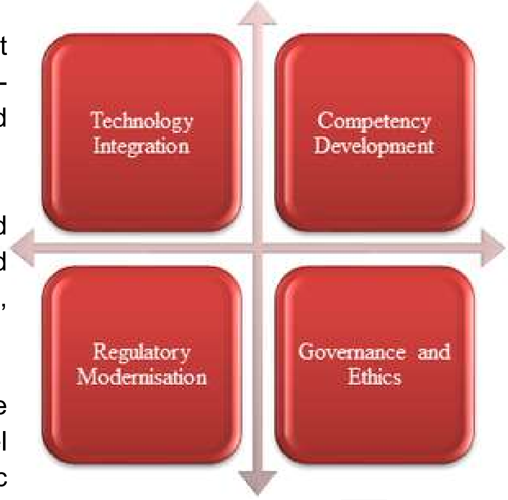


**Figure 1: Pillars of Future-Ready Cost Audit**

**(4) Governance and Ethics:** As algorithmic tools take on greater audit functions, human oversight remains indispensable. Audit committees and management should ensure that digital audit systems are subject to regular model audits, bias assessments, and ethical review to prevent the entrenchment of systemic errors.

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# REPORT ON "मंथन – 3RD REGIONAL TAX CONCLAVE 2026" - SUNDAY, 26TH APRIL 2026 - BHILAI, CHHATTISGARH

The Western India Regional Council of The Institute of Cost Accountants of India (ICMAI-WIRC), in association with the ICMAI–Bhilai Chapter, successfully hosted the "मंथन – 3rd Regional Tax Conclave 2026" on Sunday, 26th April 2026 at MP Hall, Bhilai Niwas, Civic Center, Bhilai, Chhattisgarh. Centered on the compelling theme "**Strengthening Economic Growth through Tax Reforms and Compliances,"** the conclave emerged as a vibrant confluence of intellect, policy dialogue, and professional excellence, drawing participation from over 200 members, students, and distinguished stakeholders from across the region.

***Inaugural Ceremony- A Momentous Beginning***

The grand inaugural session commenced on a patriotic and inspiring note with the resonating strains of Vande Mataram and the Institute Anthem, setting an atmosphere imbued with pride, unity, and purpose. The ceremonial lighting of the lamp, in true Indian tradition, symbolized the dispelling of ignorance and the ushering in of knowledge and wisdom. The occasion was graced by an eminent panel of dignitaries including Chief Guest Shri Chitta Ranjan Mohapatra, Director In-Charge, SAIL–Bhilai Steel Plant; Guest of Honour CMA Praveen Nigam, Executive Director (F&A), SAIL–Bhilai Steel Plant; CMA T.C.A. Srinivasa Prasad, President ICMAI; CMA Neeraj Dhananjay Joshi, Vice President ICMAI; CMA Ashwin G. Dalwadi, Former President & CCM ICMAI; CMA (Dr.) Dhananjay V. Joshi, Former President ICMAI, CMA Mihir Narayan Vyas, Chairman, ICMAI-WIRC; CMA Nanty Nalinkumar Shah, Vice Chairman; CMA Chaitanya Laxmanrao Mohrir, Secretary; and CMA Arindam Goswami, Chairman – Professional Development Committee. The hosting chapter was ably led by CMA Prakash Kolkondi, Chairman, and CMA Dibyendu Sarkhel, Secretary, ICMAI–Bhilai Chapter.

CMA Prakash Kolkondi, Chairman ICMAI-Bhilai Chapter extended a warm and heartfelt welcome to all dignitaries and participants, highlighting Bhilai's growing stature as a hub for professional and academic excellence.

CMA Arindam Goswami, Chairman Professional Development Committee, ICMAI-WIRC elaborated on the convention theme and outlined the technical deliberations planned throughout the day & eloquently underscored the critical role of robust tax reforms and compliance frameworks in driving sustainable economic growth, emphasizing the evolving responsibilities of Cost and Management Accountants in the dynamic tax ecosystem. Subsequent addresses by CMA Chaitanya Laxmanrao Mohrir, Secretary, ICMAI-WIRC and CMA Nanty Nalinkumar Shah, Vice Chairman, ICMAI-WIRC reflected on the strategic vision of WIRC in empowering professionals through knowledge-driven initiatives.

CMA Mihir Narayan Vyas, Chairman, ICMAI-WIRC, delivered an insightful address focusing on emerging opportunities for CMAs in the evolving tax landscape, urging professionals to embrace technology and specialization.

CMA (Dr.) Dhananjay V Joshi, Former President ICMAI elaborated on the transformative journey of taxation in India and the increasing relevance of ethical compliance.

CMA Ashwin G Dalwadi, Former President & CCM ICMAI shared valuable insights on professional adaptability in a rapidly changing regulatory environment.

CMA Neeraj Dhananjay Joshi, Vice President, ICMAI, emphasized the vision behind organizing such conclaves, highlighting their role in bridging knowledge gaps and strengthening compliance culture.

CMA T.C.A. Srinivasa Prasad, President ICMAI emphasized the Institute's growth trajectory, applauded the increasing number of students from Chhattisgarh, and congratulated the rank holders for their outstanding achievements. He also emphasized the expanding scope of the tax profession and encouraged members to continuously upgrade their knowledge and skills.

Guest of Honour CMA Praveen Nigam delivered a thought-provoking address, drawing from his extensive industry experience to underline the practical challenges and strategic importance of tax compliance in large public sector enterprises.

The Chief Guest, Shri Chitta Ranjan Mohapatra, enriched the session with his visionary insights, emphasizing the role of transparent and efficient tax systems in driving industrial growth and national progress.

A special highlight of the inaugural session was the felicitation of principals and heads of various institutes, recognizing their contribution to nurturing future professionals & academic excellence. Additionally, the top three rank holders from Chhattisgarh in the ICMAI Final Examination (December 2025 term) were honored, celebrating academic excellence and inspiring the next generation. The session concluded with a heartfelt vote of thanks by CMA Dibyendu Sarkhel, expressing gratitude to all dignitaries and participants.

The conclave further unfolded into intellectually enriching technical sessions.

**Plenary Session "Strengthening Economic Growth through Tax Reforms and Compliances" :**
The Plenary Session on the central theme was graced by CMA Harshad Deshpande, CCM, ICMAI, with an enriching discourse by CMA (Dr.) Sanjay Bhargave, Former CCM ICMAI & Mentor Indirect Taxes ICMAI WIRC. The session delved deep into aligning tax reforms with economic policy, emphasizing simplification, transparency, and digital transformation as key drivers of compliance and growth.

**Technical Session I on "Indian Safe Harbour Rules"**
The First technical session led by CMA (Dr.) Ashish Thatte, CCM & Chairman Indirect Tax Committee, ICMAI, deliberated a comprehensive understanding of transfer pricing mechanisms and their practical implications. Also session grace by the CMA Manisha Agrawal, RCM ICMAI-WIRCand CMA Nanty Nalinkumar Shah, Vice Chairman ICMAI-WIRC.

**Technical Session II on "GST Appellate Tribunal":**
The Session delivered by Dr. Avinash Poddar, Advocate & Practicing in Supreme Court, High Courts, Tribunals, brought clarity on dispute resolution mechanisms and recent legal developments, equipping participants with practical knowledge for litigation and representation. Also CMA Mahendra Bhombe, RCM ICMAI-WIRC grace the session.

**Technical Session III on "Digitising the Indirect Tax Journey: Compliance to Dispute Resolution":**
The final Technical Session III led by CMA Bhogavalli Mallikarjun Gupta, Associate Director - GST, RSM Astute Consulting Pvt Limited & Co-opted Member, Indirect Tax Committee ICMAI, highlighted the transformative role of technology in streamlining compliance, enhancing transparency, and facilitating efficient dispute management.

Throughout the conclave, speakers and dignitaries unanimously appreciated the meticulous planning, seamless execution, and unwavering dedication of the organizing team, sponsors, and enthusiastic participants. Their collective efforts were acknowledged as the foundation of the event's grand success.

The conclave concluded on a celebratory note with the Felicitation Ceremony, where the Regional Council Members, Bhilai Chapter Managing Committee Memebrs, staff members, Concalve Support Committee Members, and volunteers were recognized for their tireless commitment and exceptional coordination.

"मंथन – 3rd Regional Tax Conclave 2026" thus stood as a resounding success—an inspiring platform of knowledge exchange, professional growth, and collaborative vision—reinforcing the pivotal role of taxation in strengthening India's economic framework and empowering the CMA fraternity for the future.

**मंथन – 3rd Regional Tax Conclave 2026**
"मंथन – 3rd Regional Tax Conclave 2026" emerged as a grand success, bringing together eminent dignitaries, experts, professionals, academicians, and students. The conclave featured insightful discussions on tax reforms, compliance, Safe Harbour Rules, GST Appellate Tribunal, and digital transformation in indirect taxation.

The event also honoured academic achievers, institute heads, committee members, sponsors, staff, and volunteers, making it a meaningful platform for knowledge exchange, professional growth, and strengthening the CMA fraternity.

# REPORT ON 11-DAY ADVANCED SKILL TRAINING PROGRAMME FOR QUALIFIED CMAS OF DECEMBER 2025 TERM

## WIRC MUMBAI - BATCH 1

The Directorate of Career Counselling & Placement, ICMAI, in association with the Western India Regional Council (WIRC), successfully conducted an intensive **11-Day Advanced Skill Training Programme for newly qualified CMAs of the December 2025 term**. Batch 1 held from 11th March to 22nd March 2026 at the WIRC Office, Fort, Mumbai, the programme witnessed enthusiastic participation from 105 young professionals across the region, reflecting a strong commitment toward continuous learning and professional excellence.

The programme commenced with an inspiring inaugural session graced by CMA Mihir Narayan Vyas, Chairman, ICMAI-WIRC, and CMA Rashmi Mudgal, Practicing Cost Accountant. Addressing the participants, they shared valuable perspectives from their professional journeys and emphasized the evolving role of CMAs in a rapidly transforming business landscape. The speakers highlighted the importance of ethical practices, lifelong learning, adaptability to change, effective networking, and maintaining a healthy work-life balance as essential pillars for sustained success.

Over the span of 11 days, the programme delivered a rich blend of technical knowledge and practical insights through sessions conducted by distinguished professionals, academicians, and senior CMAs. The eminent faculty included CMA Rashmi Mudgal, CMA Dnyanda Limaye, CMA Aswin Kumar Udgata, CS Dhara Shah, CMA Darshan Vora, CMA Sukrut Mehta, CMA CS Mayank Sharma, CMA Akshay Shah, Adv. CMA Vivek Laddha, Adv. Pulkit Devpura, Mr. Imran Shaikh, CMA Arunabha Shah, CMA Malathi Sriram, Ms. Suchita Patel, CMA Deepak Ukidave, and CMA Chaitanya Mohrir.

The curriculum was thoughtfully designed to address contemporary industry requirements and enhance employability. Key topics covered included Cost Audit, Data Science in Finance and Data Analytics, Artificial Intelligence and Business Intelligence, Emerging Professional Opportunities, Contract Management, IND AS (Indian Accounting Standards), Direct Taxation and the New Income Tax Act, Financial Systems and BFSI Framework, ESG and BRSR, Inventory and Valuation Techniques, and Financial Modelling.

In addition, participants were trained in essential professional skills such as Advanced Excel and Data Presentation, SAP (FICO), Case Study Analysis, CV Writing, Communication Skills (written and verbal), Group Discussion Techniques with mock sessions, Interview Skills, Business Etiquette, Stress Management, Emotional Intelligence, Team Building, Time Management, and Entrepreneurship Development. Experience-sharing sessions by recently qualified CMAs further enriched the learning experience by bridging the gap between theory and practice.

A highlight of the programme was the team-based case study presentations conducted on the penultimate day. Participants collaborated to analyze real-world scenarios and present their findings, thereby strengthening their analytical thinking, teamwork, and presentation abilities.

The programme concluded with a grand valedictory session graced by Chief Guest CMA (Dr.) Ashish Prakash Thatte, Central Council Member, ICMAI, along with CMA Mihir Narayan Vyas, Chairman, ICMAI-WIRC, and CMA Chaitanya Mohrir, Secretary, ICMAI-WIRC. The dignitaries encouraged participants to strive for excellence, embrace continuous upskilling, and uphold the highest standards of the profession. Certificates were awarded to all participants, marking the successful completion of the programme.

The 11-Day Advanced Skill Training Programme proved to be a resounding success, providing a well-rounded blend of technical expertise, practical exposure, and essential soft skills. With the mentorship of experienced faculty and the guidance of institutional leadership, the newly qualified CMAs are now well-equipped to embark on their professional journeys with confidence and competence. The programme has effectively prepared them to seize opportunities in upcoming campus placements and to contribute meaningfully to the advancement of the Cost and Management Accounting profession across diverse sectors

## WIRC MUMBAI - BATCH 2

The Directorate of Career Counselling & Placement, ICMAI, in association with the Western India Regional Council (WIRC), successfully conducted the second batch of its intensive 11-Day Advanced Skill Training Programme for newly qualified CMAs of the December 2025 term. Batch2 held from 23rd March to 2nd April 2026 at the WIRC Office, Fort, Mumbai, the programme witnessed enthusiastic participation from 117 young professionals across the region reflecting their strong commitment to continuous learning and professional excellence.

The programme commenced with an inspiring inaugural session graced by CMA Mihir Narayan Vyas, Chairman, ICMAI-WIRC, and CMA CFP Mohit Nagdev, Founder and Business Head at FinVue Services Private Ltd.In his address, CMA Mihir Narayan Vyas emphasized the evolving role of Cost and Management Accountants in a rapidly transforming business landscape. He encouraged participants to move beyond conventional domains and embrace emerging areas such as data analytics, sustainability reporting, and strategic financial management.

Highlighting the importance of adaptability and lifelong learning, he urged the young professionals to uphold the highest standards of ethics, integrity, and professionalism while contributing meaningfully to the nation's economic growth. CMA CFP Mohit Nagdev, in his motivating address, shared valuable industry insights and practical perspectives on building a successful career in finance

Over the span of 11 days, the programme delivered a rich blend of technical knowledge and practical insights through sessions conducted by distinguished professionals, academicians, and senior CMAs. The eminent faculty included CMA CFP Mohit Nagdev, CMA Aswin Kumar Udgata, Mr. Imran Shaikh, CMA Deepak Ukidave, CMA Darshan Vora, Mr. Harjeet Sanghwal, CMA Akshay Shah, CMA Sukrut Mehta, CMA Yadnesh Gode, CMA Subhasish Chakraborty, CMA Rashmi Mudgal, CMA Abhijeet Mohan, and CMA Harshad Deshpande.

The curriculum was thoughtfully curated to address contemporary industry requirements and enhance employability. Key technical areas covered included Cost Audit, Data Science in Finance and Data Analytics, Artificial Intelligence and Business Intelligence, Emerging Professional Opportunities, Contract Management, IND AS (Indian Accounting Standards), Direct Taxation including the New Income Tax framework, Financial Systems and BFSI Framework, ESG and BRSR reporting, Inventory and Valuation Techniques, and Financial Modelling.

In addition to technical proficiency, the programme placed significant emphasis on developing essential professional and interpersonal skills. Participants underwent training in Advanced Excel and Data Presentation, SAP (FICO), Case Study Analysis, CV Writing, Communication Skills (written and verbal), Group Discussion Techniques with mock sessions, Interview Skills, Business Etiquette, Stress Management, Emotional Intelligence, Team Building, Time Management, and Entrepreneurship Development. Experience-sharing sessions by recently qualified CMAs further enriched the programme by offering practical insights and bridging the gap between academic knowledge and real-world expectations.

A key highlight of the programme was the team-based case study presentations conducted on the penultimate day. Participants collaborated in groups to analyze real-world business scenarios and present their strategic insights, thereby strengthening their analytical thinking, teamwork, and presentation skills.

The programme concluded with a grand valedictory session graced by Chief Guest CMA Nitin Khamesra, Director Finance, Shipping Corporation of India Ltd., and Guest of Honour CMA Harshad Shamakant Deshpande, CCM, ICMAI, along with CMA Shyamalendu Bhusan Das, General Manager, Shipping Corporation of India Ltd. In their addresses, the dignitaries motivated participants to pursue excellence with determination and integrity. They emphasized the importance of continuous upskilling, adaptability, and maintaining professional competence in a dynamic global environment. Certificates were awarded to all participants, marking the successful completion of the programme.

The 11-Day Advanced Skill Training Programme – Batch 2 proved to be a resounding success, offering a holistic blend of technical expertise, practical exposure, and essential professional skills. With the mentorship of experienced faculty and the guidance of institutional leadership, the newly qualified CMAs are now well-equipped to embark on their professional journeys with confidence and competence.

The programme has effectively prepared them to seize opportunities in upcoming campus placements and to contribute meaningfully to the advancement of the Cost and Management Accounting profession across diverse sectors.

## AT BHILAI

The Directorate of Career Counselling & Placement, ICMAI, in association with the Western India Regional Council (WIRC), successfully organized an 11-Day Advanced Skill Training Programme for Qualified CMAs of December 2025 term. This power-packed training programme was conducted from 11$^{th}$ March 2026 to 21$^{st}$ March 2026 at Bhilai Institute of Technology (BIT), Durg, Chhattisgarh.

The programme was inaugurated by CMA Arindam Goswami, Immediate Past Chairman & Treasurer, ICMAI-WIRC, in the presence of Dr. Anup Mishra, Principal BIT Durg, Dr. Daljeet Singh Wadhwa, Head of Department of Management BIT Durg, CMA Sushma Singh, Dr. Sunil Kumar, CMA Anmol Choubey and esteemed faculty members of BIT. The inaugural set the tone for a high-impact learning journey, emphasizing the importance of continuous skill development for CMAs.

Over 11 intensive days, industry experts, senior CMAs, and academic professionals delivered impactful sessions, providing participants with insights to enhance their corporate readiness.

The programme featured insightful sessions delivered by renowned professionals and academicians, including Dr Urvashi Shrivastava, Dr Mitthu S, CMA Sushma Singh, Dr. Sunil Kumar, Dr. Anjana Shekhar, CA Praveen Bafna, Dr. Judith Gomes, CMA (Dr) Gaurav, CMA Anmol Chaubey, CMA CS CA Sharad Kankani, Dr. Chaitali Choudhary, Dr. Saurabh Tomar, CMA (Dr) Shashi Kashyap and CMA Chaitanya Mohrir.

The 11 day programme included an extensive curriculum covering crucial areas essential for career growth and industry readiness. Key topics covered were: About Institute, Code of Ethics – Institute, Ministry of Corporate Affairs, Interview skill & Business etiquette, Communication Skill – Written & Verbal, Financial Modelling &BFSI, Opportunities, Job and Practice, Indirect Taxation, E-Filing, GST Updates, G. D. Techniques and Mock G. D., C. V. Writing & Drafting, Presentations Skill [PPT, Data Presentation (Adv. Excel), Pie Chart, Histogram, Bar diagram] & ERP, Practical Aspects of IND AS (Indian Accounting Standards)/

Corporate Law, Cost Audit, Internal Audit & Forensic Audit and Information System Security Audit, Data Science in Finance & Data Analytics, Artificial Intelligence & Business Intelligence Tools in Finance, Client's Orientation & Negotiation Skills, Current affairs / National & International events, Safety and Security in the workplace, Work Life Balance, Emotional Intelligence, Team Building & Teamwork, Time Management, Case Studies - Real World Business & Financial Scenarios, Direct Taxation & New Income Tax Act, SAP – FICO, ESG & BRSR, Case Study Presentation, Mock Interviews, Case Study Based Projects and presentations.

On the 15th March 2026, a comprehensive Mock Interview session was conducted for all candidates to simulate real-world placement scenarios in the presence of CMA Arindam Goswami, Immediate Past Chairman & Treasurer ICMAI WIRC and CMA Srinivasan Ganeshan, Ex Director Finance, South Eastern Coalfields Ltd.

The grand valedictory session conducted with the gracious presence of CMA Arindam Goswami, Immediate Past Chairman & Treasurer, ICMAI-WIRC, CMA Chaitanya Mohrir, Former Chairman & Secretary ICMAI-WIRC, Dr. Daljeet Singh Wadhwa, Head of Department of Management BIT Durg. The dignitaries shared valuable insights and provided motivational guidance to the young CMAs, empowering them for a successful career journey. Candidates expressed their gratitude and shared their transformative 11-day experience. Also CMA Anmol Choubey, CMA Sharad Pashine, CMA Ayush Dubey, CMA Quadeer Raza presented during Valedictory session.

Certificates were distributed to all participants for successfully completing the programme. The event was a grand success, marked by the felicitation of all candidates. Parents of participants also graced the occasion, witnessing this momentous event.
The 11-Day Advanced Skill Training Programme was a landmark initiative that provided holistic training, industry exposure, and networking opportunities to the newly qualified CMAs. The enthusiastic participation and positive feedback from candidates affirmed the programme's success in shaping the career trajectories of young professionals. The event set a strong precedent for future editions, reinforcing ICMAI-WIRC's commitment to empowering CMAs for the dynamic corporate world.

# WIRC WELCOMES NEW ASSOCIATE MEMBERS - APRIL 2026

| Sl No | M/Ship No | Name | City |
|---|---|---|---|
| 1 | 59582 | Aniket Somani | Ahmedabad |
| 2 | 59588 | Lakum Karan Chetankumar | Ahmedabad |
| 3 | 59605 | Manish Champaklal Mali | Ahmedabad |
| 4 | 59663 | Bhavik Khemchandbhai Shah | Ahmedabad |
| 5 | 59668 | Hemant Kamleshbhai Solanki | Ahmedabad |
| 6 | 59698 | Ashish Brijmohan Sharma | Ahmedabad |
| 7 | 59702 | Pl Chockalingam | Ahmedabad |
| 8 | 59822 | Vishvesh Hiteshbhai Patel | Ahmedabad |
| 9 | 59703 | Adesh Ganesh Nagap | Badlapur (East) |
| 10 | 59538 | I Ateesh Kumar | Bhilai |
| 11 | 59699 | Saurabh Sahu | Bhilai |
| 12 | 59693 | Mehul Kumar Rana | Bhilai (C. G.) |
| 13 | 59853 | Yash Bhatia | Bhopal |
| 14 | 59852 | Kamal Sharma | Bilaspur |
| 15 | 59859 | Tushar Sharma | Daund |
| 16 | 59678 | Aashish Gaagandas Sukhiya | Dhule |
| 17 | 59765 | Romita Jayant Nivatkar | Dombivli (West) |
| 18 | 59548 | Hrishika Chaturvedi | Durg |
| 19 | 59549 | Ravindra Tatpudi | Durg |
| 20 | 59637 | Anurag Verma | Durg |
| 21 | 59824 | Priyanka Kumari | Goregaon |
| 22 | 59834 | Kajol Haldar | Guna |
| 23 | 59758 | Rudrakash Dubey | Indore |
| 24 | 59540 | Kirti Ganesh Bhilare | Mumbai |
| 25 | 59554 | Aishwarya Pillai | Mumbai |
| 26 | 59558 | Hritik Juneja | Mumbai |
| 27 | 59589 | Dhaval Mukesh Kapadia | Mumbai |
| 28 | 59590 | Mohini Kishor Kelshikar | Mumbai |
| 29 | 59630 | Harshit Pagariya | Mumbai |
| 30 | 59642 | Harshala Vilas Chavan | Mumbai |
| 31 | 59690 | Keyur Ashok Trivedi | Mumbai |
| 32 | 59716 | Prashanthi Gadireddy | Mumbai |
| 33 | 59719 | Vinit Bohara | Mumbai |
| 34 | 59720 | Navneet Daliya | Mumbai |
| 35 | 59739 | Mohd Ali Hassan Firoz Alam | Mumbai |
| 36 | 59749 | Pradnya Arjun Jagtap | Mumbai |
| 37 | 59781 | Sweta Agarwal | Mumbai |
| 38 | 59789 | Peeyush Kumar Dewangan | Mumbai |
| 39 | 59813 | Ravikiran B | Mumbai |
| 40 | 59614 | Lalitkumar Sanjay Kumbhar | Nashik |
| 41 | 59772 | Rutuja Vinayak Badhe | Navi Mumbai |
| 42 | 59550 | Meena Murlidhar Dalvi | Pimpri Chinchwad |
| 43 | 59708 | Saddam Hussain | Pimpri Chinchwad |
| 44 | 59569 | Pravin Padmakar Lathkar | Pune |
| 45 | 59585 | Omkar Raman Saste | Pune |
| 46 | 59591 | Snehal Vilas Jadhav | Pune |
| 47 | 59606 | Pallavi Ajay Naik | Pune |
| 48 | 59638 | Pushkaraj Bhushan Bedekar | Pune |
| 49 | 59652 | Sarthak Sachin Kulkarni | Pune |
| 50 | 59828 | Vikash Hiralal Maloo | Pune |
| 51 | 59856 | Disha Sunilkumar Kedia | Pune |
| 52 | 59830 | Aditi Kumari | Raipur |
| 53 | 59608 | Neha Namdev Bhere | Shahapur |
| 54 | 59724 | Prashant Raosaheb Suryawanshi | Sinnar |
| 55 | 59570 | Bhavika Arun Jain | Surat |
| 56 | 59575 | Chetan Gunvant More | Surat |
| 57 | 59619 | Kaushik Rakeshbhai Shah | Surat |
| 58 | 59615 | Bhakti Pramod Raorane | Thane |
| 59 | 59640 | Hardik Gupta | Thane |
| 60 | 59801 | Ayushi Rajib Das | Thane (West) |
| 61 | 59560 | Raj Chander Narang | Ulhasnagar |
| 62 | 59715 | Leena Jaikumar Raghuvanshi | Ulhasnagar |
| 63 | 59576 | Jigneshkumar Kirtikumar Shah | Vadodara |
| 64 | 59643 | Mojidra Chirag Rameshbhai | Vadodara |

# CHAPTER NEWS

## AHMEDABAD

**Webinar on Reversal of Diabetes with Food and lifestyle**

Chapter organized a Webinar on Reversal of Diabetes with Food and lifestyle on 26th March'2026. Mr. Dharmendra Prajapati was the speaker of the webinar. CMA Jainil Patadia, Member introduced and welcomed the speaker as well as participants. The Speaker Mr. Dharmendra Prajapati delivered the presentation in a simple manner, which was very useful to the members. A large number of members participated in the webinar

**Webinar on Cost Audit – Coal Industries**

Chapter organized a Webinar on Cost Audit-Coal Industries on 30th March'2026. CMA Niranjan Mishra was the speaker of the webinar. CMA Mitesh Prajapati, Chairman of chapter introduced and welcomed the speaker as well as participants. The Speaker CMA Niranjan Mishra delivered the presentation in a simple manner, which was very useful to the members.

**Webinar on Company Compliance Felicitation scheme**

Chapter organized a Webinar on Company Compliance Felicitation scheme on 31st March'2026. CMA Kavita Tiwari was the speaker of the webinar. CMA Mitesh Prajapati, Chairman of chapter introduced and welcomed the speaker as well as participants. The Speaker CMA Kavita Tiwari delivered the presentation in a simple manner, which was very useful to the members. A large number of members participated in the webinar. The session was interactive and informative to the members. Vote of thanks was proposed by CMA Ashish Bhavsar, Coordinator-PD committee.

**IOTP for Final Students**

Chapter has organized Industry Orientation Program for final students during 6th April 2026 to 15th April 2026. Large number of final students participated in the program. Eminent faculties have delivered lectures on various topics The group power point presentation on related topics were presented by participant students on 15th April'2026. The participant students were awarded with participation certification.

## BARODA

**Online CPE session on "Export Smarter with MSME Incentives"**

Chapter in association with WIRC, successfully organized an insightful online CPE session on “Export Smarter with MSME Incentives” on 26th March 2026.

The session was led by CMA Vandit Trivedi and Mr. Keval Mota, who shared valuable perspectives on export strategies and various government incentives available to MSMEs to enhance global competitiveness. Their practical insights and expert guidance were highly appreciated by the participants.

The program witnessed an encouraging response with 110 participants, reflecting strong interest among members in strengthening their knowledge in the export domain. The session also provided 2 CPE hours, adding professional value for attendees.

**Online CPE session titled "Why Investment – Why Equity & Commodity Market"**

Chapter successfully conducted an online CPE webinar on “Why Investment – Why Equity & Commodity Market” on 27th March 2026.

The session was delivered by Mr. Bhavin Shah, who shared valuable insights on financial planning, investment strategies, and the functioning of equity and commodity markets. His practical approach helped participants gain better clarity and confidence in navigating investment avenues.

The webinar received an excellent response with 104 participants attending the session. Members also benefited from 2 CPE hours, making the program both informative and professionally enriching.

**Online CPE session titled "Unlocking Productivity in Practice with AI & Data Tools—Practitioner Experience Sharing"**

Chapter successfully hosted an insightful Continuing Professional Education (CPE) session on March 28, 2026 on "Unlocking Productivity in Practice with AI & Data Tools—Practitioner Experience Sharing," attracted a significant turnout of 94 attendees eager to modernize their professional workflows.

Expert speaker CMA Hirav Shah led the discussion and provided practical strategies and real-world insights into how AI and data tools can fundamentally transform professional productivity for practitioners.

The event was organized under the leadership of the Baroda Chapter committee, including Chairperson CMA Amruta Vyas and Secretary CMA Vandit Trivedi. This initiative underscores the Chapter's commitment to keeping its members at the forefront of technological advancement in the accounting profession.

**CPE on "Code of Ethics & Amendments in Companies Act-2026"**
The evening of 23rd April 2026 at Vanijya Bhavan, Vadiwadi, Vadodara, witnessed an engaging gathering of professionals committed to ethical excellence. Around 55 enthusiastic participants assembled for a session on "Code of Ethics & Amendments in Companies Act-2026," conducted in physical mode.

The program commenced with a warm welcome by CMA Amruta Vyas, setting a positive tone for the session. As the clock struck 6:00 PM, the spotlight turned to the esteemed speaker, CMA Ashwin G. Dalwadi, Past President & CCM of ICMAI. With his vast experience and insightful approach, he simplified complex amendments and highlighted the importance of ethical practices in the evolving corporate landscape.

The audience remained deeply engrossed throughout the session, actively absorbing practical knowledge and real-world perspectives. The interactive nature of the discussion added immense value, making the learning both impactful and memorable.

As the session concluded at 8:30 PM, CMA Sharad Puranik delivered a heartfelt vote of thanks, expressing gratitude to the speaker and participants for making the event a success.

The evening stood as a reminder that strong ethics and updated knowledge are the pillars of a successful professional journey.

## PUNE

**National Seminar on Cost Audit**
The Institute of Cost Accountants of India (ICMAI) had organised a National Seminar on Cost Audit on the theme "Value, Vishwas and Vision" on 10th April 2026 at Yashwantrao Chavan Centre, Nariman Point, Mumbai.

Chapter have arranged the free of cost Bus facilities for the members & students to attend the seminar.

Member's & student's taken advantage of this opportunity and participated in this important national-level event and also gain the knowledge from the sessions and interacted with the professionals.

More than 60 Member's & Student's from Pune attended the program.

**Webinar on "Year End Activities under GST"**
Chapter was successfully conducted a webinar on the topic "Year End Activities under GST" on 27$^{th}$ March 2026.

The session was graced by CMA Dr. Sanjay Bhargave, Practicing Cost Accountant and CMA Tanuja Mantrawadi Treasurer of the Chapter as the keynote speakers. His Presentations of the speakers was insightful, an overwhelming response received from the members for this webinar.

**Webinar on "Adopting ESG, Carbon Accounting, MAC & CBAM – How CMA's can lead Net-Zero Economy"**
Chapter jointly with Nasik Chapter, Chhatrapati Sambhajinagar Chapter & Kolhapur Chapter conducted a webinar on the topic

"Adopting ESG, Carbon Accounting, MAC & CBAM – How CMA's can lead Net-Zero Economy" on Saturday, 11$^{th}$ April 2026. The session was addressed by CMA Prasanna Tillu.

**Participation for Students Regional Cost Convention 2026 at Surat South Gujrat Chapter**
Western India Regional Council of the Institute of Cost Accountants of India has organised "Students Regional Cost Convention 2026" on 17th & 18th March, 2026 at Surat International, Exhibition Convention Centre (SIECC) with the Theme "SAKSHAM Empowered Future CMAs for an Empowered".

Chapter arranged 2 buses (70 Students & staff members) for transportation to SIECC at Surat. CMA Shrikant Ippalpalli, Chairman of ICMAI Pune Chapter, CMA Tanuja Mantrawadi, Treasurer of ICMAI Pune Chapter, CMA Amey Tikale, MCM and Students Coordination Committee Chairman of ICMAI Pune Chapter, CMA Nagesh Bhagane Past Chairman of ICMAI Pune Chapter, CMA Nilesh Kekan Past Chairman of ICMAI Pune Chapter, Mr. Krishna Satav, Mr. Pranav Kondekar, Mr. Akash Mane Students Representative of ICMAI Pune Chapter actively participated in this two days Regional Students Cost Convention 2026. The response from students was overwhelming.

Students participated in PowerPoint presentations, quizzes, mock parliament competitions, cultural programs, etc., and won prizes in the competitions. The students of the Pune Chapter delivered an outstanding performance in the cultural program competition. As a result, Pune Chapter clinched the 1st prize in the SRCC culture program competition.

**CPE on Use Cases in AI on 24th April 2026**

Chapter successfully organized CPE on the topic "Use Cases in AI" on 24th April 2026 at CMA Bhawan, Karvenager, Pune.

AI trainer CMA Devdutta Kekatpure was a keynote speaker. His presentation was insightful. The session received an overwhelming response from the members.

**Members interaction with council members and Felicitation of President, Vice-President and Council Members on 24th April 2026**

Chapter conducted Members' Interaction with council members program and the felicitation of President, Vice-President & Council Members on Friday 24th April 2026 at ICMAI - Pune Chapter, "CMA Bhawan", Karvenagar, Pune.

The Members interaction with the Council was a fruitful discussion, where the council members addressed the queries raised by the members.

CMA TCA Srinivasa Prasad President of ICMAI said that the CMA profession is witnessing growing interest among students, students' enrolments for the CMA course steadily rising. He also told that the institute has introduced a dedicated helpdesk for members and students.

CMA Neeraj Joshi Vice President, CMA Navneet Jain and CMA Ashish Thatte Central Council Members along with CMA Chaitanya Mohrir Secretary of WIRC, CMA Nanty Shah Vice Chairman of WIRC, CMA Shrikant Ippalpalli Chairman of ICMAI Pune Chapter, CMA Rahul Chincholkar Vice Chairman of ICMAI Pune Chapter, CMA Himanshu Dave Secretary of ICMAI Pune Chapter CMA Tanuja Mantravwadi Treasurer of ICMAI Pune Chapter were also present.

CMA Neeraj Joshi Vice President told that the relocation of the institutes headquarter from Kolkata to Delhi has improved operational efficiency and the council members can easily coordinate with the government authorities.

CMA Ashish Thatte Central Council Members said that improved administrative control under the current leadership has created new opportunities for professional growth.

CMA Navneet Jain spoke about the recent developments in the cooperative and banking sectors and the expanding role of CMA professionals.

The session was anchored by CMA Tanuja Mantrawadi Treasurer of ICMAI Pune Chapter and the vote of thanks was delivered by CMA Himanshu Dave Secretary of ICMAI Pune Chapter.

## SURAT SOUTH GUJARAT

**Advanced Skill Training Programme**

The Chapter hosted an Advanced Skill Training Programme for December 2025 term qualified Students from 09th March to 25th March 2026 at Chapter Premises. 41 participants were in attendance, benefiting greatly from the sessions. For Valedictory Session Shri Nikhil Madrasi, President-SGCCI grace the occasion. CMA Kishor Vaghela- Chairman, CMA Bharat Savani-Past Chairman felicitated to Shri Nikhil Madrasi. He also guided to all students for upcoming Campus Placement.

**Income-tax Act, 2025 – Interpretation and Application**

Chapter hosted a CPE & Workshop on 11th April 2026, on the theme "Income-tax Act, 2025 – Interpretation and Application". Mr. JAYRAJ DHAKAN was the keynote speakers. CMA Kishor Vaghela-Chairman, CMA Vipinkumar Patel-Secretary & CMA Kailash C Gupta-Immediate Past Chairman felicitated to Shri Jayraj Dhakan. Around 45 participants were in attendance, benefiting greatly from the insightful session.

## Glimpses of 3rd Regional Tax Conclave held on 26th April 2026 at Bhilai


**CMA Dibyendu Sarkhel, Secretary, ICMAI-Bhilai Chapter felicitating Speaker CMA (Dr.) Sanjay Bhargave, Former CCM ICMAI & Mentor Indirect Taxes ICMAI WIRC during Plenary session**

**CMA Avilash Pansari, MCM ICMAI-Bhilai Chapter felicitating Chairman of the Plenary Session CMA Harshad Deshpande, Central Council Member ICMAI**


**CMA Nanty Shah, Vice Chairman, ICMAI-WIRC & CMA Manisha Agrawal, RCM, ICMAI-WIRC felicitating Speaker CMA (Dr.) Ashish Thatte, Chairman Indirect Tax Committee & Central Council Member ICMAI, during Technical Session I**

**CMA Mahendra Bhombe, RCM ICMAI-WIRC felicitating Speaker Dr. Avinash Poddar, Advocate & Practicing in Supreme Court, High Courts, Tribunals, during Technical Session II**

**CMA Prakash Kolkondi, Chairman ICMAI-Bhilai Chapter felicitating Speaker CMA Bhogavalli Mallikarjun Gupta, Associate Director - GST, RSM Astute Consulting Pvt Limited, during Technical Session III**


**View of Central Council Members, Regional Council Members, Managing Committee Members of ICMAI Bhilai Chapter alongwith WIRC Staff Members & Volunteers during Valedictory Session.**


**CMA Mitesh Prajapati, Chairman of Ahmedabad Chapter presenting IOTP participation certificate to Final student**

**CMA Ashwin G. Dalwadi, Past President & CCM, CMA Mihir Vyas, Chairman ICMAI-WIRC alongwith office bearers of Baroda Chapter and Participants during CEP organised by Baroda Chapter.**


**CMA TCA Srinivasa Prasad President of ICMAI, CMA Neeraj Joshi Vice President, ICMAI, alongwith CCMs, RCMs and Managing Committee members of Pune Chapter during Felicitation Function organised by Pune Chapter**

**CMA Kishor Vaghela- Chairman & CMA Bharat Savani-Past Chairman of Surat South Gujarat Chapter felicitating Shri Nikhil Madrasi, President-SGCCI during Valedictory session of ASTP organised by Surat South Gujarat Chapter**

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# Glimpses of 11-Day Advanced Skill Training Programme organised by WIRC

## AT WIRC OFFICE, MUMBAI




## AT BHILAI


**To,**

**If undelivered please return to:**
**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**
**WESTERN INDIA REGIONAL COUNCIL,**
**Rohit Chambers, Janmabhoomi Marg, Fort,**
**Mumbai 400 001**

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