THE MANAGEMENT ACCOUNTANT

ISSN 0972-3528

September 2026 | Vol. 61 | No. 09 | Pages - 124 | ₹ 100

INDUSTRY 5.0

BUILDING INTELLIGENT, SUSTAINABLE AND RESILIENT ENTERPRISES

[redacted]

Journal of

ICMAI

भारतीय लागत लेखाकार संस्थान

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

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

www.icmai.in

- **THE INSTITUTE OF COST ACCOUNTANTS OF INDIA** (erstwhile The Institute of Cost and Works Accountants of India) was established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.
- On 28 May 1959, the Institute was established by a special Act of Parliament, namely, the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of Cost & Management Accountancy.
- It has since been continously contributing to the growth of the industrial and economic climate of the country.
- The Institute of Cost Accountants of India is the only recognized statutory professional organisation and licensing body in India specialising exclusively in Cost & Management Accountancy.

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 CMA 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."

Institute Motto

असतोमा सद्गमय
तमसोमा ज्योतिर् गमय
मृत्योर्मामृतं गमय
ॐ शान्ति शान्ति शान्तिः

From ignorance, lead me to truth
From darkness, lead me to light
From death, lead me to immortality
Peace, Peace, Peace

IDEALS THE INSTITUTE STANDS FOR

- to develop the Cost and Management Accountancy Profession
- to develop the body of members and properly equip them for functions
- to ensure sound professional ethics
- to keep abreast of new developments

Headquarters:
CMA Bhawan, 3, Institutional Area, Lodhi Road
New Delhi - 110003

Noida Office:
CMA Bhawan, C-42, Sector - 62,
Noida - 201309

Kolkata Office:
CMA Bhawan, 12, Sudder Street, Kolkata - 700016

Behind every successful business decision, there is always a CMA

The Management Accountant, official organ of The Institute of Cost Accountants of India, established in 1944 (founder member of IFAC, SAFA and CAPA)

Publisher – Sucharita Chakraborty – The Institute of Cost Accountants of India, 12, Sudder Street, P. S. New Market, Kolkata, West Bengal – 700016.
Place of Publication – The Institute of Cost Accountants of India, 12, Sudder Street, P. S. New Market, Kolkata, West Bengal – 700016.
Printer – Vinay Baveja, C-66/3, Okhla Industrial Area, Phase - 2, New Delhi, Delhi, 110020.
Printing Press – Viba Press Private Limited, C-66/3, Okhla Industrial Area, Phase - 2, New Delhi, Delhi, 110020.
Editor – Sucharita Chakraborty – 12, Sudder Street, P. S. New Market, Kolkata, West Bengal – 700016.
Owner – The Institute of Cost Accountants of India, 12, Sudder Street, Kolkata, West Bengal – 700016.

Chairman, Journal & Publications Committee
CMA Harshad Shamkant Deshpande
chairman.journal@icmai.in

ENQUIRY

- **Articles/Publications/News/Contents/Letters/ Book Review/Enlistment**
  editor@icmai.in
- **Non-Receipt/Complementary Copies/Grievances**
  journal@icmai.in
- **Subscription/Renewal/Restoration**
  journal@icmai.in

EDITORIAL OFFICE
CMA Bhawan, 4th Floor, 84, Harish Mukherjee Road
Kolkata - 700 025, Ph: 033-24540184

The Management Accountant technical data

Periodicity : Monthly
Language : English

Overall Size : 26.5 cm x 19.6 cm

Subscription
Inland: ₹1,000 p.a or ₹100 for a single copy
Overseas: US$ 150 by airmail

Concessional subscription rates for registered students of the Institute: ₹900 p.a

The Management Accountant Journal is Indexed and Listed at:

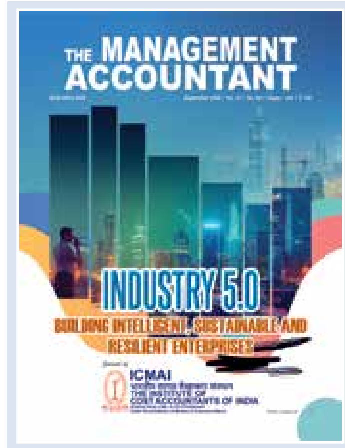
- Index Copernicus and J-gate
- Global Impact and Quality factor (2015):0.563

We have expanded our Readership from **1** to **94** Countries
Afghanistan, Algeria, Argentina, Australia, Azerbaijan, Bahrain, Bangladesh, Belgium, Benin, Botswana, Brazil, British Indian Ocean Territory, Bulgaria, Cambodia, Cameroon, Canada, Chile, China, Colombia, Croatia, Czech Republic, Djibouti, Egypt, France, Gambia, Germany, Ghana, Great Britain, Greece, Honduras, Hong Kong, Hungary, Iceland, India, Indonesia, Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Lebanon, Liberia, Lithuania, Malawi, Malaysia, Mauritius, Mexico, Morocco, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nigeria, Oman, Pakistan, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Romania, Russia, Rwanda, Saudi Arabia, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Suriname, Sweden, Switzerland, Syria, Taiwan, Tanzania, Thailand, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States of America, Vietnam, Zaire, Zimbabwe

Inside

September 2026

Contents



SEPTEMBER VOL 61 NO.09 ₹100

Images in this issue are sourced from Google

From the EDITOR'S DESK

Industry 5.0: Building Intelligent, Sustainable and Resilient Enterprises

Industry 5.0: Building Intelligent, Sustainable and Resilient Enterprise highlights a new approach to industrial transformation that places humans, technology, and sustainability at the centre of development. Human-centric manufacturing systems and human–machine collaboration through cobots can enhance productivity, safety, flexibility, and employee well-being. At the same time, sustainable and circular production models encourage efficient use of resources, waste reduction, and environmentally responsible manufacturing practices.

The integration of advanced digital technologies, resilient and adaptive supply chains, and smart and connected industrial ecosystems is enabling enterprises to respond effectively to changing markets and global disruptions. Technologies such as Artificial Intelligence, IoT, robotics, digital twins, and data analytics are creating more intelligent and connected industrial environments. Industry 5.0 therefore offers an opportunity to build enterprises that are not only technologically advanced, but also sustainable, resilient, inclusive, and human-centric.

Our theme for this issue of *The Management Accountant* is Industry 5.0: Building Intelligent, Sustainable and Resilient Enterprises. The articles explore how emerging technologies and management accounting can drive sustainability, resilience, circularity and long-term value creation.

Digital Cost Management 2.0: Advanced Technologies for Sustainable and Resilient Heavy Industries – This paper presents Digital Cost Management 2.0 (DCM 2.0), moving management accounting from historical variance reporting towards predictive optimisation through AI and Advanced Analytics, Digital Twins, IIoT with Edge Computing, and BIM platforms.

Industry 5.0 and Management Accounting: Bridging Digital Transformation and Business Value – This conceptual paper develops a framework linking digital technologies, Industry 5.0 capabilities, management accounting, and enterprise value. It highlights the evolving role of management accountants in translating digital information into effective decisions regarding cost, performance, capital allocation, risk, and enterprise value.

Making Waste Visible: Material Flow Cost Accounting under ISO 14051 as the Costing Spine of Circular Production – The article explains MFCA through a quantity-centre matrix and the Nitto Denko case, demonstrating how visibility of loss costs can influence capital allocation. It also connects MFCA with BRSR requirements and highlights the role of Cost and Management Accountants in its adoption.

Costing The Circle: A Fused Industrial Engineering– Cost Accounting Model for Sustainable Production – This article shows how IE and CMA tools can jointly enable circular production by making material losses, energy waste and end-of-life costs financially visible.

Industry 5.0: Redefining Strategic Cost Management for Sustainable Value Creation – The research examines how MFCA, LCA and ESG measures can support circular manufacturing, resource efficiency, sustainability and India's vision of Viksit Bharat 2047.

This issue brings together a range of contemporary topics of professional significance. We are pleased to feature an exclusive interview with CMA Bikram Ghosh, Director (Finance), Western Coalfields Limited, Nagpur, offering valuable perspectives on governance, leadership, and the changing responsibilities of Cost and Management Accountants. The edition also includes an insightful communication on "Application of Cost Management – Prudent Cost Management is the Lifeblood of Healthcare Operations," highlighting the importance of effective cost management in the healthcare sector.

We gratefully acknowledge all our contributors for their valuable research, professional insights, and thought leadership, which have enriched this edition. We welcome your feedback and suggestions at editor@icmai.in as we continue our efforts to enhance the journal's quality and relevance.

We hope you find this edition informative, insightful, and enriching. Keep reading and stay connected with us.

President's Communiqué

CMA Chittaranjan Chattopadhyay
President
The Institute of Cost Accountants of India

"You can't cross the sea merely by standing and staring at the water."

-- Rabindranath Tagore

My Dear Professional Colleagues,

Namaskar!

As India progresses through the second quarter of FY 2026–27, the economy continues to demonstrate resilience amidst a rapidly evolving global environment. The policy and regulatory landscape during August 2026 witnessed several significant developments aimed at strengthening the foundations of India's financial and business ecosystem. The Monsoon Session of Parliament saw important legislative measures relating to taxation, MSME development and the evidentiary framework for banking records, while the Reserve Bank of India continued its calibrated approach to monetary and financial stability. At the same time, SEBI introduced a series of measures relating to corporate bond markets, foreign portfolio investors, market infrastructure resilience, cyber incident reporting and capital-market operations, reflecting the continuing emphasis on deepening markets, digitalisation and ease of doing business.

These developments, together with the continued strengthening of India's financial architecture, have important implications for enterprises and for the profession of Cost and Management Accountancy. The emphasis on MSME competitiveness and timely payments, digital financial records, capital-market development, cyber resilience and regulatory simplification is creating new areas of professional engagement for CMAs. In an environment where businesses must simultaneously pursue growth, cost efficiency, financial resilience and regulatory compliance, the role of CMAs is becoming increasingly strategic. The profession is well positioned to contribute through cost optimisation, working-capital management, financial risk assessment, business analytics, governance and strategic decision-making, thereby supporting enterprises in navigating the opportunities and challenges of India's evolving economic landscape.

Courtesy Meeting with Secretary, Ministry of Corporate Affairs

On behalf of the Institute and all its stakeholders, I extend my heartiest congratulations and best wishes to Dr. Pallavi Jain Govil, IAS, on assuming charge as Secretary to the Government of India, Ministry of Corporate Affairs.

On 17th August 2026, I, along with CMA Manoj Kumar Anand, Vice President, and CMA Ashwin G. Dalwadi, Former President, had the privilege of calling upon Dr. Govil in New Delhi. We discussed matters of mutual interest relating to the Institute and the CMA profession and explored opportunities for further strengthening ICMAI's engagement with the Ministry.

Meetings with Dignitaries and Key Stakeholders

During August 2026, I had the opportunity to engage with several senior dignitaries and key stakeholders on matters concerning the CMA profession and the Institute.

I met CMA (Dr.) Ranjay Choudhary, Director (Finance), Indian Railway Finance Corporation Ltd. (IRFC), on 4th August at CMA Bhawan, New Delhi.

On 5th August, I, along with CMA Manoj Kumar Anand, Vice President, met CMA Kundan Kumar Mishra, Director (Finance), MMTC Limited, in New Delhi and discussed matters relating to the CMA profession.

On 12th August, I, along with CMA Manoj Kumar Anand, Vice President, and CMA Harshad S. Deshpande, Chairman, BFSI Board, called upon Shri Tuhin Kanta Pandey, IAS, Chairman, SEBI; Shri Kamlesh Chandra Varshney, Whole-Time Member, SEBI; and Shri Sandip Pradhan, Whole-Time Member, SEBI, at the SEBI Office in Mumbai.

On 18th August, I, along with CMA Manoj Kumar Anand, Vice President, called upon Shri K. Moses Chalai, IAS, Secretary, Department of Public Enterprises, Ministry of Finance, in New Delhi.

These interactions provided valuable opportunities to discuss matters of professional relevance and explore avenues for strengthening the role and contribution of CMAs across various sectors.

Seminar on "Corporate Governance, Financial Reporting and Regulatory Compliances – Key to Viksit Bharat"

The Professional Development & CPE Committee of the Institute conducted a Seminar on "Corporate Governance, Financial Reporting and Regulatory Compliances – Key to Viksit Bharat" on 5th August 2026 at SCOPE Complex, New Delhi.

The seminar was graced by Smt. Anita Shah Akella, IA&AS, Joint Secretary, Ministry of Corporate Affairs and Council Member (Government Nominee), ICMAI, as the Chief Guest. The programme provided an opportunity to share perspectives on the evolving corporate and regulatory landscape. I had the pleasure of participating in and addressing the gathering, along with CMA Manoj Kumar Anand, Vice President, ICMAI and CMA Kundan Kumar Mishra, Director (Finance), MMTC Limited.

The technical sessions were delivered by CMA Manoj Kumar Bansal, Practising Advocate, Corporate & Taxation and CMA (Dr.) S. K. Gupta, Managing Director, ICMAI Registered Valuers Organisation. The seminar addressed contemporary and highly relevant issues in corporate governance, financial reporting and regulatory compliance. The sessions were highly interactive and engaging, providing valuable opportunities for meaningful discussions, exchange of views and practical knowledge sharing.

Members Meet and Felicitation at Patiala Chapter

On 8th August 2026, I attended the Members Meet organised by the Patiala Chapter, providing an opportunity to interact with members and discuss matters concerning the growth and development of the profession. I was also honoured to be felicitated by the Chapter along with CMA Manoj Kumar Anand, Vice President; CMA Rajendra Singh Bhati, Council Member, ICMAI; and CMA Gaurav Gulati, Director (Finance), NSIC. I appreciated the warm gesture and encouraged members to contribute actively towards strengthening the outreach and visibility of the CMA profession.

Indian Cost Accounts Service Day 2026

On 9th August 2026, I attended the Indian Cost Accounts Service (ICoAS) Day 2026 at Vigyan Bhawan, New Delhi, along with CMA Manoj Kumar Anand, Vice President, ICMAI. Organised by the Office of the Chief Adviser (Cost), Department of Expenditure, Ministry of Finance, the celebration was held on the theme "Role of ICoAS Officers in Cost Optimization for Atmanirbhar Bharat." The programme highlighted the vital contribution of cost professionals to efficient public expenditure, defence procurement, indigenous manufacturing and strategic decision-making. Shri Rajesh Kumar Singh, Defence Secretary, was the Chief Guest, while Shri Sanjeev Kumar, Secretary, Department of Defence Production, was the Guest of Honour. Discussions on Artificial Intelligence in Public Financial Management, recognition of outstanding ICoAS officers and felicitation of former officers further enriched the programme.

MoU between ICMAI and Steel Authority of India Limited (SAIL)

I am pleased to share that the Institute signed a Memorandum of Understanding (MoU) with Steel Authority of India Limited (SAIL) on 13th August 2026 in New Delhi. The MoU was signed in the presence of CMA Manoj Kumar Anand, Vice President; CMA TCA Srinivasa Prasad, Immediate Former President; CMA Vinayaranjan P, Council Member; CMA (Dr.) D. P. Nandy, Secretary (Officiating), ICMAI; Shri Krishna Kumar Singh, Director (Personnel), SAIL; Shri Sanjay Dhar, ED (HR-L&D), SAIL/MTI; Shri S. K. Gupta, CGM (HR), SAIL and Shri Santosh Kumar, GM (HR), SAIL.

Under this partnership, ICMAI will provide Learning and Development (L&D) services to SAIL employees through SAIL's Management Training Institute (MTI). This collaboration marks an important step towards strengthening professional capabilities, enhancing knowledge and skills, and fostering continuous learning among SAIL's workforce.

Mind-Money Management Conference

I had the privilege of participating as a Guest at the 4th Mind-Money Management Conference, organised by the Brahma Kumaris Finance Fraternity Seva Wing on 13th August 2026 at Mansarovar, Abu Road, along with CMA Rajendra Singh Bhati, Council Member, ICMAI. The conference provided an enriching platform to reflect on balancing professional and financial success with inner well-being, ethical values and spiritual harmony. I appreciated the initiative for bringing finance professionals and their families together for self-development and meaningful reflection in a serene and spiritually uplifting environment.

CAT Course in Partnership with DGR, Ministry of Defence

I was pleased to grace the Valedictory Session of the CAT Course under the Directorate General Resettlement (DGR), Ministry of Defence, held at Jodhpur on 14th August 2026, along with CMA Rajendra Singh Bhati, Chairman, CAT and other distinguished dignitaries. Col. Amrut Kulkarni, Colonel (Veteran) graced the occasion as Chief Guest.

Valedictory programmes were also organised at the Faridabad, Karnal-Panipat, Beawar and Bhiwani Chapters. During August 2026, new DGR batches commenced at Karnal, Saharanpur, Gorakhpur, Dehradun, Muzaffarpur, Trivandrum and Baroda, further strengthening the Institute's commitment to skill development and professional resettlement of Armed Forces personnel.

80th Independence Day Celebration

The Institute proudly celebrated the 80th Independence Day on 15th August 2026 at its Headquarters in Delhi, Kolkata Office, Noida Office, Regional Councils and Chapters across the country.

I had the pleasure of hoisting the National Flag, followed by the National Song and National Anthem. CMA Ashwin G. Dalwadi, Former President & Council Member, CMA Navneet Kumar Jain, Council Member, CMA Manish Kandpal, Chairman-NIRC, CMA (Dr.) Debaprosanna Nandy, Secretary (Officiating), ICMAI and other officials of the Institute were present during the program at Headquarters, New Delhi. There were also celebrations at the Institute's Noida Office in the presence of personnel from the Armed Forces. Their participation added special significance to the occasion and served as a fitting tribute to those who dedicate themselves to safeguarding the nation.

At the Kolkata Office and EIRC, the National Flag was ceremoniously hoisted by Manoj Kumar Anand, Vice President, ICMAI.

The celebrations reaffirmed our collective commitment to the values of freedom, unity, integrity and service to the nation, bringing together members, employees and their families in a spirit of patriotism and collective responsibility.

Release of BFSIB publications

The Institute released two important handbooks, titled "Expected Credit Loss (ECL) Framework – A Practical Handbook for Indian Banks" and "Handbook on Restructuring of Bank Loans", at a Press Conference organised at the ICMAI Headquarters on 18th August 2026.

The publications were released in the presence of the undersigned accompanied by CMA Manoj Kumar Anand, Vice President, ICMAI, CMA (Dr.) P. Siva Rama Prasad, Former AGM, SBI and resource person along with CMA (Dr.) Ramjass Yadav, Former Executive Director, Bank of Baroda and Member BFSI Board, CMA Harshad S. Deshpande, Chairman, BFSIB and CMA Mohan V. Tanksale, Member of BFSI Board and Chairman, BFSI Skills Council, among others.

The publications' objective is to provide comprehensive, practical and easy-to-understand guidance on two critical areas of modern banking. The ECL Handbook is particularly significant in view of the RBI's directive for Indian banks to implement the Expected Credit Loss framework with effect from 1st April 2027. It is expected to be particularly useful to bankers in understanding the transition from the existing approach to ECL-based assessment and to operating and controlling staff involved in its implementation.

The Handbook on Restructuring of Bank Loans provides practical guidance on identifying financial stress and evaluating viable restructuring proposals, covering regulatory requirements, early warning signals, verification and appraisal, Techno-Economic Viability (TEV) studies, financial projections, operating cost analysis, PPIRP resolution plans, digital footprint analysis, case studies and standard documentation formats. The publications will be valuable reference material for bankers, credit and risk professionals, Practising CMAs, auditors, financial advisors, insolvency professionals, consultants and academicians. For CMAs in practice, the books provide practical knowledge and create opportunities in credit risk management, ECL modelling, financial analysis, restructuring, financial modelling, banking advisory and risk assessment.

The download links for both publications are available on the BFSIB Portal for the benefit of members and other stakeholders.

Observance of Nasha Mukt Bharat Abhiyan - 2026

The Institute observed the Nasha Mukt Bharat Abhiyan 2026 on 18th August 2026 to support the Government of India's vision of a drug-free India. Staff members actively participated in the programme and took a pledge to contribute towards creating a society free from substance abuse and promoting a healthy lifestyle.

Stone Laying Ceremony at Baroda Chapter & Tax Outreach Event

On 20th August 2026, I had the privilege of participating in the Tax Outreach Event organised by the Baroda Chapter, which provided a valuable platform for meaningful interaction with the tax fraternity and other stakeholders. The programme was followed by the Stone Laying Ceremony at the new premises of the Baroda Chapter, marking an important milestone in the Chapter's growth and development. I appreciated the efforts of the Baroda Chapter in strengthening professional outreach and encouraged the members to continue contributing towards the growth and visibility of the CMA profession.

9th Kerala State Cost Convention 2026 at Kochi

On 21st August 2026, I attended and addressed the 9th Kerala State Cost Convention 2026, organised by the Cochin Chapter in association with the Southern India Regional Council and other Chapters of Kerala at Kochi. The Convention, themed "India in Command: Navigating a Volatile World", brought together professionals and experts for insightful deliberations on global economic volatility, emerging technologies, artificial intelligence, smart manufacturing and the evolving role of Cost and Management Accountants. CMA Subhash Chandra Garg, Former Economic Affairs Secretary and Finance Secretary, was the Guest of Honour at the Convention. In my address, I highlighted the strategic role of CMAs in helping organisations navigate uncertainty, strengthen resilience, leverage technology and enable informed decision-making, thereby contributing meaningfully to India's journey towards global leadership.

Tax Conclave 2026 by Bengaluru Chapter in association with SIRC

I attended and addressed the Tax Conclave 2026, organised by the Bengaluru Chapter of ICMAI in association with the Southern India Regional Council, on 22nd August 2026, on the theme "Navigating the New Direct and Indirect Tax Landscape."

The Conclave brought together senior tax officials, eminent professionals and members of the CMA fraternity for insightful deliberations on emerging developments in direct and indirect taxation and their implications for businesses and professionals. The presence of Shri D. Jagannatha Sagar, Technical Member (State), GSTAT, Bengaluru; Shri K. M. Mahesh, Director – Income Tax (I&CT); and Shri Suchint Majmudar, Partner, Deloitte, enriched the technical deliberations.

The event was also attended by CMA Suresh R. Gunjalli, Council Member; CMA Praveen Kumar, Chairperson, SIRC; CMA Vishwanath Bhat, Chairperson – Professional Development, SIRC; CMA Girish Kambadaraya, Regional Council Member, SIRC; and CMA Santosh G. Kalburgi, Chairperson, Bengaluru Chapter, whose participation added further strength to the programme.

The address emphasised the need for CMAs to remain abreast of the evolving tax landscape, continuously upgrade their professional knowledge and strengthen their capabilities to provide value-added tax and business advisory services.

IOD Directors' Conclave 2026 & 36th IOD Annual Day

CMA Manoj Kumar Anand, Vice President, attended the IOD Annual Directors' Conclave 2026 & 36th IOD Annual Day as a Distinguished Guest on 22nd August 2026 at New Delhi. His participation provided an opportunity to engage with eminent policymakers, board directors, industry leaders and governance professionals, and contributed to meaningful deliberations on contemporary issues relating to corporate governance and leadership.

Felicitation and Interaction with Asansol Chapter

On 23rd August 2026, I had the privilege of visiting the Asansol Chapter, where I was warmly felicitated by the Chapter. I also had the opportunity to interact with members, students and other invitees and share my thoughts on the future of the CMA profession and the priorities of the Institute. I deeply appreciated the warmth and affection extended by the Asansol Chapter and encouraged members and students to actively contribute towards strengthening the profession and advancing the Institute's vision.

ICMAI as 'Knowledge Partner' in Indian Express MSME Conclave

I am happy to share with you that the MSME and Start up Promotion Board (MSPB), ICMAI had participated as 'Knowledge Partner' in an interactive seminar of third chapter of Express MSME Conclave, conducted by The Indian Express in association with Department of Micro, Small & Medium Enterprises and Textiles Government of West Bengal for discussion on Creating an eco-system for MSME success & Innovation for competitive MSMEs, on 26th August 2026 at Calcutta Club, Kolkata. Shri Dipak Barman, Minister in Charge, Department of Micro, Small and Medium Enterprises & Textiles, Govt of West Bengal was the Chief Guest, Shri Ashoke Dinda, Minister of State for Micro, Small and Medium Enterprises & Textiles, Govt of West Bengal was the Guest of Honor and other eminent dignitaries had also participated.

The seminar was highlighted in First panel discussion, creating an eco-system for MSME success and in Second panel discussion, Innovation for competitive MSMEs. The Conclave provided an important platform for stakeholders to exchange perspectives on the challenges and opportunities before the MSME sector and to explore measures that can contribute towards sustainable growth, competitiveness and innovation. The participation of diverse MSME stakeholders further strengthened the relevance of the deliberations. The programme received an overwhelming response and was highly appreciated by the participants, who actively participated in and thoroughly enjoyed the session.

CAPA Members' Meeting & AGM 2026

I am pleased to share that ICMAI participated in the CAPA Members' Meeting & AGM 2026, held on 27–28 August 2026 at Kuala Lumpur, Malaysia. The Institute was represented by CMA (Dr.) K Ch A V S N Murthy, Council Member as Voting Representative; CMA Rajendra Singh Bhati, Chairman, International Affairs Committee; and CMA Harshad S. Deshpande, Council Member. The programme featured the inaugural CAPA CEO Network, Members' Meeting & AGM and CAPA Roundtables on strategic issues concerning the accountancy profession, providing a valuable platform for international exchange, professional collaboration and sharing of perspectives on the future of the profession.

Promoting Excellence in Healthcare Costing and Finance

On 28th August 2026, I delivered the Presidential Address at the Joint Management Development Programme on "Healthcare Costing and Healthcare Finance", organised by the Sri Ramachandra Faculty of Management Sciences (SRFMS), SRIHER, Chennai, in association with the Board of Advanced Studies, ICMAI. The programme was also attended by CMA T.C.A. Srinivasa Prasad, Immediate Former President, ICMAI.

I highlighted the growing importance of cost management and financial efficiency in healthcare, and the evolving role of CMAs in strengthening financial discipline, optimising resources and supporting informed decision-making. I also participated in the Certificate Distribution Ceremony and congratulated the participants on successfully completing the programme.

Interactive Members' Meeting with SIRC

On 28th August 2026, I interacted with members of the Southern India Regional Council (SIRC) at the SIRC Members' Meeting held in Chennai. The meeting provided an enriching platform for an open exchange of views on matters concerning the profession, the Institute and its members. I appreciated the valuable suggestions of members and reiterated the Institute's commitment to strengthening member engagement, professional development and the growth of the CMA profession across the Southern Region.

Student Felicitation Programme & CultFest 2K26 at Pimpri-Chinchwad

On 30th August 2026, I attended the Student Felicitation Programme & CultFest 2K26 at Pimpri-Chinchwad, Maharashtra, where I interacted with and felicitated meritorious students. The programme celebrated the achievements of young professionals and provided an opportunity to encourage them to pursue excellence, embrace emerging opportunities and uphold the values of the CMA profession.

Strengthening Global Engagement: ICMAI Hosts IFAC Delegation

I am pleased to share that ICMAI hosted the IFAC delegation for a luncheon on 31st August 2026, at New Delhi. The interaction was attended by me, CMA Manoj Kumar Anand, Vice President; CMA Rajendra Singh Bhati, Chairman, International Affairs Committee; Council Members CMA (Dr.) Ashish Prakash Thatte and CMA Vinayaranjan P.; CMA (Dr.) Paritosh Basu, Member, Training & Educational Facilities Committee and AI Strategy & Innovation Board; and CMA Manish Kandpal, Chairman, NIRC.

The meeting provided an opportunity to discuss matters of mutual interest and explore avenues for enhanced international cooperation and strengthening the global accountancy profession, further deepening the professional relationship between ICMAI and IFAC.

Launch of Corporate Mitra Learning Management System

On 31st August 2026, I participated in the launch of the Corporate Mitra Learning Management System, a significant initiative of the Ministry of Corporate Affairs aimed at enhancing youth employability and strengthening the MSME sector. The programme brought together representatives from MCA, ICMAI, ICAI, ICSI, IIT Madras, IIT Madras Pravartak and SWAYAM Plus.

In my address, I highlighted ICMAI's commitment to the initiative and encouraged practising members to provide practical training opportunities to Corporate Mitra candidates. I expressed confidence that Corporate Mitra will serve as an effective platform connecting skills with employment, young talent with MSMEs, and learning with practical experience, contributing to the vision of Viksit Bharat.

The engagements and initiatives undertaken during August reflect the Institute's continued commitment to strengthening the CMA profession, expanding institutional partnerships, enhancing international engagement and creating greater opportunities for members and students.

I extend my warmest greetings and best wishes to our esteemed members, dedicated students and their families on the auspicious occasions of Janmashtami and Ganesh Chaturthi. May these festivals bring happiness, prosperity, peace and success to all.

With warm regards,

CMA Chittaranjan Chattopadhyay

1st September 2026

BRIEF SUMMARY OF THE ACTIVITIES OF VARIOUS DEPARTMENTS/ COMMITTEES/ BOARDS OF THE INSTITUTE DURING THE MONTH OF AUGUST 2026

BANKING, FINANCIAL SERVICES AND INSURANCE BOARD (BFSI BOARD)

A. Certificate Courses

i. Certificate Course on Credit Management in Banks (13th Batch)

The 13th batch started from 9th August 2026. Certificate Course on Credit Management in Banks (13th Batch). CMA Gaurav Bhandari, Chief General Manager, India Exim Bank attended the inaugural session as the Chief Guest along with CMA Harshad S. Deshpande, Chairman, BFSIB.

ii. Certificate Course on Cost Control Strategies in the Banking Sector (1st Batch)

The 1st batch started from 16th August 2026. CMA Lalit Wadhwa, Advisor (Cost), Ministry of Health & Family Welfare with Additional Charge of Secretary General in Indian Red Cross Society & St John Ambulance was the Chief Guest for the inaugural ceremony. CMA Chittaranjan Chattopadhyay, President along with CMA Harshad S. Deshpande, Chairman, BFSIB attended the inaugural session.

iii. Certificate Course on Project Financing of Banks (2nd Batch)

The 2nd batch admission has started, and we request all the professionals to enroll the session. The link for admission is as follows-

https://eicmai.in/OCMAC/BFSI/BFSI.aspx/

B. Webinars

i. The Board organized a Webinar on 13th August 2026 on the topic of "Opportunities for CMAs in ECL". CMA (Dr.) Nabanita Ghosh, Associate Professor, Christ University was the Speaker.

ii. The Board organized a Webinar on 26th August 2026 on the topic "Expected Credit Loss and Changing Credit Landscape". Ms. R Sumitra, Credit Management Specialist was the Speaker.

C. Opportunities for CMAs

i. CMAs are eligible to apply for the recruitment of specialist officers (Manager-Credit in Grade/ Scale-II & Senior Manager-Credit in Grade/Scale-III) in Nainital Bank. The last date for application is 7th September, 2026.

D. Restoration of Email to members for BFSI Daily News Digest

The Board restored the email services to members for circulation of the BFSI Daily News Digest from 11th August 2026.

CAT DIRECTORATE

⦿ Online Classes for CAT Students

The CAT Part-II e-learning classes for students who cleared the Part-I Examination held in June 2026 commenced on 17th August 2026. The interactive sessions, conducted by expert resource persons, aim to strengthen conceptual understanding and examination preparedness.

This initiative of the CAT Directorate, under the leadership of the Chairman, CAT, reflects the Institute's continued endeavour to enhance academic support and provide an enriching learning experience to CAT students. I encourage all eligible students to participate regularly and make optimum use of this academic initiative to strengthen their professional knowledge and examination preparedness.

⦿ Career Counselling Programme

The CAT Directorate organised a Career Counselling Programme at IIS (Deemed to be University), Jaipur, on 18th August 2026, with nearly 100 B. Com and BBA students participating. The session highlighted the CAT Course, its professional relevance, skill-development opportunities and career prospects. CMA Purnima Goyal, Secretary, Jaipur Chapter, also addressed the students.

I appreciate the Directorate's efforts in promoting skill-oriented professional education and enhancing career awareness and employability among students.

MEMBERSHIP DEPARTMENT

During the month of August 2026, the Institute admitted 515 new Associate Members and elevated 66 Associate Members to the grade of Fellowship, marking significant milestones in their professional journey and further strengthening the CMA fraternity.

Communication has also been made to members whose membership fees for the financial year 2026–27 is due, requesting them to make the necessary payment on or before 30th September 2026.

To facilitate hassle-free transactions and avoid any last-minute rush, members are once again requested to use the following link for membership-related online payments:

https://eicmai.in/mms/PublicPages/UserRegistration/Login-WP.aspx/

Members in Practice who could not renew their Certificate of Practice (CoP) for 2026–27 by the due date of 30th June 2026 may now restore and renew their CoP by paying the applicable restoration charges along with the normal renewal fee through the online login facility:

https://eicmai.in/MMS/Login.aspx?mode=EU

To explore the wide range of benefits available to CMA members, including the Members' Benevolent Fund (MBF), please visit the official website of The Institute of Cost Accountants of India (ICMAI) and go to the Members section.

PROFESSIONAL DEVELOPMENT & CPE COMMITTEE

Opportunities for Practising CMAs

Opportunities for Practising CMAs were hosted on the PD Portal where the services of Cost Accountants are required by Punjab National Bank, Airports Authority of India, NHPC Limited, South Central Railway, National Textile Corporation Limited, HLL Lifecare Ltd., Chhattisgarh State Power Distribution Company Limited, Rajasthan State Mines and Minerals Limited, Tripura Industrial Development Corporation Limited, Raichur Power Corporation Limited, Tapi Riverfront Development Corporation Limited, JKB Financial Services Limited, Municipal Corporation Bathinda, Protection of Plant Varieties and Farmers' Rights Authority, District Health & Family Welfare Society (DH&FWS), Ambala, District Health Society, Farrukhabad, and District Health Society, Mahoba, etc.

We are glad to update our members that following the Institute's representation, Tamil Nadu Tourism Development Corporation Limited has considered Cost Accountants for Internal Audit by issuing a corrigendum.

Webinars

During the month, the webinar series for practitioners covered the following topics:

- Digital Personal Data Protection Act 2023 – Challenges and Way Forward for CMAs on 10th August 2026
- Appeal under GST Law – Provisions, Issues and Drafting Written Submission on 19th August 2026

Programes in association with PHD Chamber of Commerce and Industry

Professional Development & CPE Committee in association with PHD Chamber of Commerce and Industry conducted a conference on "Income Tax, Search and Seizure" and a seminar on "DPDP Compliance From Policy to Practice" on 20th August 2026 and 21st August 2026 respectively.

Programes Submitted on CPE Portal during the Month of August

During the month of August, 51 programmes in Physical mode and 39 programmes in Online mode were organised by the different Committees, Regional Councils and Chapters of the Institute on various topics such as Technology in Financial Management- From Automation to Intelligent Decision Making, Catalyst for Enterprise Excellence- The Synergy of CMAs & NSIC, Property, Plant & Equipment (Ind AS 16) Concepts, Case studies & Compliance, Virtual CFO : From Finance Professional to Strategic Business Advisor, MSME 2026: GST Regulatory Reforms & Cost Competitiveness, SEZ Framework & SEZ-DTA Transactions - Law, Procedures & Implications, From Independence to Viksit Bharat 2047: Strategic Management Accounting for a Self-Reliant India, Buyer liable for supplier GST Non-Compliance in light with Recent Supreme Court Ruling of Bhandari Scrap Traders, Filling of Income Tax Return with Tax Audit Report under Income Tax Act, Costing for Sustainability and ESG Reporting and so on.

We are sure that our members would benefit immensely from the deliberations in these sessions.

SUSTAINABILITY STANDARDS BOARD

1. Webinars -

a. Vasudhaiva Kutumbakam Series

i. The Board organized the 63rd Webinar of the Vasudhaiva Kutumbakam series held on 14th August 2026 on the topic " Costing for Sustainability and ESG Reporting". CMA Tarun Marimganti, Practising Cost Accountant was the speaker.

ii. The Board organized the 64th Webinar of the Vasudhaiva Kutumbakam series held on 28th August 2026 on the topic "AI and Sustainability". Mr. Dattatri HM, General Counsel, The Manipal Group was the speaker.

b. Parinayati Webinar Series

The Board organized the 10th Parinayati Webinar series on the topic of ESG and Sustainability Reporting in Philippines on 21st August 2026. CMA (Dr.) Aditi Dasgupta, Joint Director, ICMAI and CMA Arunabha Saha, Practising Cost Accountant were the speakers.

2. Monthly Newsletter - Sukhinobhavantu

The Board released Volume XXXVII which is the August 2026 edition of the monthly newsletter Sukhinobhavantu. The Download link is as follows:

https://drive.google.com/file/d/1fjVKlN3ew31iVzXNhREjq128Lm40ocZq/view

3. Certificate Course on ESG

The admission for the 8th batch of the Certificate Course on ESG has started and we request all members and students to enroll for the course for capacity enhancement and knowledge dissemination. The link for admission is as follows:

https://eicmai.in/OCMAC/SSB/SSB.aspx

4. Exposure Draft of Sustainability Assurance Standard (ISAS – 1)

The exposure draft of Draft Sustainability Assurance Standard (ISAS – 1) is placed for public comments for necessary incorporation. The last date of comments was extended till 31st August 2026.

Link for the ISAS-1 -

https://dwpivt501gtb6.cloudfront.net/upload/ssb/Annexure-I%20Sustainability%20Reporting%20Assurance%20Standard_2026.pdf

TAX RESEARCH DEPARTMENT

During August 2026, the Tax Research Department (TRD) conducted specialised webinars under its Direct and Indirect Taxation initiatives, focusing on key taxation developments, practical compliance aspects and emerging issues, thereby supporting the continuous professional development of members and students.

Outreach Programme on Income Tax ACT 2025:

On 20th August 2026, the Tax Research Department, ICMAI, organized an Outreach Programme on "The Income Tax Act, 2025" – Direct Tax Conclave at the Gujarat Energy Training & Research Institute (GETRI), Gotri, Vadodara, in association with the ICMAI-Vadodara Chapter. Shri Virendra Ojha, Chief Commissioner of Income Tax, graced the occasion as the Chief Guest. The technical sessions were delivered by Dr. CMA CA Pradeep G. Tulsian and CA Prashant Upadhyay, who provided valuable insights into the key provisions, developments, and practical aspects of the Income Tax Act, 2025.

Webinars:

06th August 2026 | Capital Market Investments and Taxation

Faculty: Ms. Himani Lath

Overview: The session provided insights into the taxation of capital market investments, covering relevant tax considerations and practical aspects associated with investment transactions.

"Mastering Income Tax Returns 2026 Series"

11th August 2026 | ITR-6 – Part 1

Faculty: CMA Gopal Krishna Raju

Overview: The webinar focused on the preparation and filing of ITR-6, providing detailed guidance on the relevant provisions, reporting requirements, and practical aspects involved in filing the return.

18th August 2026 | ITR-6 – Part 2

Faculty: CMA Gopal Krishna Raju

Overview: Continuing the discussion on ITR-6, the session covered further aspects of return preparation and filing, with emphasis on practical requirements and compliance considerations.

25th August 2026 | ITR-7 – Part 1: Legal Perspective

Faculty: CMA Ajith Sivadas

Overview: The session provided a legal perspective on ITR-7, focusing on the applicable provisions, legal requirements, and key considerations relevant to the filing of returns by eligible entities.

"Kar Kranti Series" Webinars

12th August 2026 | Is the Buyer Liable for Supplier GST Non-Compliance? – SC Ruling: Bhandari Scrap Traders

Speaker: CMA Rohit Singh

Overview: The webinar examined the issue of buyer liability in cases of supplier non-compliance under GST, with reference to the Supreme Court ruling in Bhandari Scrap Traders. The session provided insights into the legal implications of the ruling and its relevance to GST compliance and taxpayers.

27th August 2026 | Cross-Border Transactions: Interplay between GST and FEMA

Speaker: Advocate Santosh Sagar

Overview: The webinar provided insights into the interplay between GST and FEMA in the context of cross-border transactions, highlighting key regulatory considerations and compliance aspects relevant to professionals and businesses engaged in international transactions.

Professional Courses:

The Tax Research Department (TRD) continued its professional education initiatives through specialised courses in direct taxation, indirect taxation and allied areas, aimed at enhancing the knowledge and practical skills of members and students. Classes for the following batches commenced from 16 August 2026, while the examination for the previous batches was held on 30 August 2026.

- Certificate Course on GST (CCGST-21)
- Advanced Certificate Course on GST (ACCGST-17)
- Certificate Course on TDS (CCTDS-17)
- Certificate Course on Filing and Filling of Return (CCFR-17)
- Certificate Course on International Trade (CCIT-11)
- Advanced Course on Income Tax Assessment and Appeal (ACITAA-14)
- Advanced Course on GST Audit and Assessment Procedure (ACGAAP-14)
- Advance certificate course on GST Litigation Management (ACCGLM – 2)
- Certificate course on Income Tax Act 2025 (CCITA – 2)

ICMAI REGISTERED VALUERS ORGANISATION (RVO)

ICMAI RVO has successfully organised three (3) "50-Hour Training Programs" for securities or financial asset class and land and Building asset class and Plant and machinery, also organised seven (7) online "Professional Development Programs" and one (1) Physical Program in Delhi. In its efforts to bring out relevant publications for the development of the valuation profession, ICMAI RVO also released its bi-monthly journal, The Valuation Professional.

ICMAI SOCIAL AUDITORS ORGANISATION (SAO)

ICMAI SAO has successfully organised 26th Online Batch of the Preparatory Course for Social Impact Assessments Examination on 1st - 2nd August 2026. ICMAI SAO also released its bi-monthly journal, The Social Impact Assessor.

Chairman's
Communiqué

CMA Harshad Shamkant Deshpande
Chairman
Journal & Publications Committee,
Banking, Financial Services & Insurance Board and
AI Strategy & Innovation Board, ICMAI

"Great dreams of great dreamers are always transcended" - Dr. A.P.J. Abdul Kalam

Dear Professional Colleagues,

My warm greetings to the entire CMA fraternity;

I feel deeply honoured to continue serving as Chairman of the Journal & Publications Committee of The Institute of Cost Accountants of India and to have been entrusted with the additional responsibility of Chairing the AI Strategy & Innovation Board and the BFSI Board. I sincerely thank the Hon'ble President, CMA Chittaranjan Chattopadhyay, Vice President, CMA Manoj Kumar Anand and the Council for their continued faith, trust and encouragement. Their confidence inspires me to discharge these responsibilities with renewed commitment and dedication towards the growth of the Institute and the advancement of the CMA profession.

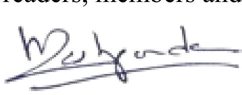
My vision for *The Management Accountant* is to transform it into a dynamic, knowledge-driven platform that fosters continuous learning, dialogue, innovation and professional growth. By bringing together students, professionals, academicians and industry leaders, the Journal will offer diverse perspectives through contemporary articles, expert insights and analyses. With a forward-looking focus on emerging areas such as AI, sustainability, digital transformation, BFSI and global developments, *The Management Accountant* aspires to be a trusted platform for thought leadership and professional excellence, empowering the CMA fraternity to navigate change with confidence and foresight.

As India progresses towards a developed economy, the BFSI sector will play a pivotal role in driving financial inclusion, infrastructure financing and economic growth. Through specialised courses, knowledge programmes, publications and industry interactions, the BFSI Board continues to strengthen the capabilities of CMAs in emerging areas of finance and banking. Looking ahead, initiatives such as the Banking Conclave, expanded learning programmes and new knowledge resources will further deepen professional engagement. As Chairman of the Journal & Publications Committee and the BFSI Board, I remain committed to fostering knowledge, innovation, professional excellence and meaningful engagement across both these important platforms.

I am equally privileged to serve as the Chairman of the AI Strategy & Innovation Board at a time when Artificial Intelligence is rapidly transforming the global business and professional landscape. Beyond technology, AI has emerged as a strategic enabler of intelligent decision-making, innovation and value creation, presenting significant opportunities for the CMA profession. The Board is committed to fostering awareness, encouraging innovation and building the capabilities required to enable the CMA fraternity to embrace emerging technologies with confidence and competence.

The BFSI Board, AI Strategy & Innovation Board, and Journal & Publications Committee embody our commitment to building a future-ready, innovative and empowered CMA profession. While the BFSI Board focuses on strengthening domain expertise and expanding professional opportunities, the AI Strategy & Innovation Board seeks to foster innovation and future-readiness and *The Management Accountant* continues to serve as a vibrant platform for knowledge sharing and thought leadership. Together, these initiatives will help empower CMAs with contemporary knowledge, emerging skills and a forward-looking perspective, enabling the profession to contribute meaningfully to India's journey towards *Viksit Bharat 2047*.

I conclude with the timeless words of Benjamin Franklin: **"***An investment in knowledge pays the best interest***."** May our collective pursuit of knowledge, innovation and excellence continue to strengthen the CMA profession. With warm regards, I extend my sincere wishes for continued growth, professional excellence and success to the entire CMA fraternity, along with my heartfelt festive greetings and best wishes to all our readers, members and stakeholders.



CMA Harshad Shamkant Deshpande
1st September 2026

25th Edition

Cost Congress 2026

CII TCM

CII
Confederation of Indian Industry

25th Edition

COST CONGRESS

International Conference
Silver Anniversary Edition

BOOK YOUR DATE

26 - 27 OCTOBER, 2026

JW MARRIOTT HOTEL, PUNE

Theme

India's Decade:
Building Global Competitiveness in an Era of Disruption

India is the emerging global business hub – a shift from cost arbitrage to competitive power. Maze of narratives are shaping up the definition of India's business landscape. Innovation hub through the startup eco-system, physical & digital infrastructure, policy framework and technology evolution.

However, emerging new India's thrust and power needs a throttle on several dimensions and directions – new focal lens of business resilience, accelerate decarbonization journey, technology as key lever of transformation, heightened export competitiveness, redefined intellectual skill & excellence, strategic business shifts in the inflection points.

CII with its wide reach in the industry has created a think tank to set a new direction and pace for the emerging economic scenario of India's businesses. With able guidance and support, Crème de la crème of speakers and experts are being pooled for speakers in the conference.

CII TCM Division invites transformation agents and ambassadors of change to the conference to calibrate on their own directional steps in the new emerging corporate India.

Registration

SCAN here to complete your Registration

Mr. Girish Wagh
Chairman - CII National Committee for TCM &
MD & CEO - Tata Motors CV

Mr. Manoj Kolhatkar
Chairman - Cost Congress 2026,
MD & CEO - TATA AutoComp Systems Ltd.

Mr. Rajendran Arunachalam
Co-Chairman - Cost Congress 2026,
Group CFO, Thermax Ltd.

CMA Chittaranjan Chattopadhyay
President, ICMAI

CMA Manoj Kumar Anand
Vice President, ICMAI

Knowledge Partners

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

SIBM PUNE

Delegate Fee

CII Member	₹7,000/- + 18% GST
Non-Member	₹8,000/- + 18% GST
ICMAI Member	₹4,000/- + 18% GST
Academia	₹4,000/- + 18% GST

CPE Credit:
8 Hrs for CMA Members

Key Topics

- Business Innovation – Path to Competitiveness
- Business Resilience to Constant Change
- Decarbonisation – Compliance to Competitiveness
- Technology - A Key Lever to Corporate Competitiveness
- Export Competitiveness – Improving Global Footprint
- Human Capital Excellence - Intellectual Property & AI Impact
- Strategic Inflection points shifts - Business Transition
- TCM 3.0

Contact: Athul Kuriakose | athul.kuriakose@cii.in | 9400797334 https://costcongress.in/

GLIMPSES OF 80th INDEPENDENCE DAY CELEBRATIONS

15th August 2026

At ICMAI Headquarters - Delhi, Noida, Kolkata & EIRC Premises

CMA (Dr.) Ranjay Choudhary, Director (Finance), Indian Railway Finance Corporation Ltd. (IRFC), felicitating CMA Chittaranjan Chattopadhyay, President, ICMAI, on 4th August 2026 at CMA Bhawan, New Delhi.

CMA Chittaranjan Chattopadhyay, President, along with CMA Manoj Kumar Anand, Vice President, ICMAI, met CMA Kundan Kumar Mishra, Director (Finance), MMTC Limited on 5th August, 2026 at New Delhi and discussed the matters related to the CMA Profession.

CMA Anand Kumar Pal, Chief Adviser (Cost), Department of Expenditure, Ministry of Finance, felicitating CMA Chittaranjan Chattopadhyay, President, ICMAI, during the Indian Cost Accounts Service Day Celebration held on 9th August 2026 at Vigyan Bhawan, New Delhi.

CMA Chittaranjan Chattopadhyay, President, ICMAI, being felicitated by Shri Manish Kumar, IA&AS, Director General, Regional Capacity Building and Knowledge Institute (RCB&KI), Indian Audit & Accounts Department (IA&AD), Kolkata, during the inaugural session of the All India Training Programme on "Audit of Infrastructure and Transport Projects: Cost, Contract and Performance Perspectives", organised by RCB&KI, IA&AD in association with ICMAI–MARF on 3rd August 2026 at Kolkata.

CMA Chittaranjan Chattopadhyay, President, ICMAI, receiving a shield trophy presented by Lt. Gen. V. M. B. Krishnan, PVSM, AVSM, YSM, General Officer Commanding-in-Chief (GOC-in-C), Eastern Command, and handed over by CMA B. B. Goyal, Chief Adviser, ICMAI MARF; CMA Manoj Kumar Anand, Vice President, ICMAI and CMA L. M. Kaushal, Technical Adviser, ICMAI MARF.

CMA Chittaranjan Chattopadhyay, President, along with CMA Manoj Kumar Anand, Vice President and CMA Harshad S. Deshpande, Chairman, BFSI Board, ICMAI, called on Shri Sandip Pradhan, Whole-Time Member, SEBI on 12th August 2026 at the SEBI Office, Mumbai.

CMA Chittaranjan Chattopadhyay, President, along with CMA Manoj Kumar Anand, Vice President and CMA Harshad S. Deshpande, Chairman, BFSI Board, ICMAI, called on Shri Kamlesh Chandra Varshney, Whole-Time Member, SEBI on 12th August 2026 at the SEBI Office, Mumbai.

CMA Chittaranjan Chattopadhyay, President, along with CMA Manoj Kumar Anand, Vice President and CMA Harshad S. Deshpande, Chairman, BFSI Board, ICMAI, called on Shri Tuhin Kanta Pandey, IAS, Chairman, SEBI on 12th August 2026 at the SEBI Office, Mumbai.

CMA Chittaranjan Chattopadhyay, President along with CMA Manoj Kumar Anand, Vice President and CMA Ashwin G. Dalwadi, Former President, ICMAI called on Dr. Pallavi Jain Govil, IAS, Secretary to the Government of India, Ministry of Corporate Affairs on 17th August 2026 at New Delhi.

CMA Chittaranjan Chattopadhyay, President along with CMA Manoj Kumar Anand, Vice President, ICMAI called on Shri K. Moses Chalai, IAS, Secretary to the Government of India, Department of Public Enterprises, Ministry of Finance, on 18th August 2026 at New Delhi.

ICMAI hosted the IFAC delegation for a luncheon in New Delhi on 31 August 2026. The interaction focused on matters of mutual interest, international cooperation and strengthening the professional relationship between ICMAI & IFAC for the advancement of the global accountancy profession.

Release of two BFSIB publications, "Expected Credit Loss (ECL) Framework – A Practical Handbook for Indian Banks" and "Handbook on Restructuring of Bank Loans", by CMA Chittaranjan Chattopadhyay, President, ICMAI, along with CMA Manoj Kumar Anand, Vice President, ICMAI, and other eminent bankers, during the Press Conference held in New Delhi on 18th August 2026.

CMA Chittaranjan Chattopadhyay, President, ICMAI and CMA TCA Srinivasa Prasad, Immediate Former President, ICMAI, participated in the Joint Management Development Programme on "Healthcare Costing and Healthcare Finance" and the Certificate Distribution Ceremony, organised by Sri Ramachandra Faculty of Management Sciences (SRFMS), SRIHER, in association with the Board of Advanced Studies & Research, ICMAI, on 28 August 2026 at Chennai.

CMA Chittaranjan Chattopadhyay, President and CMA Rajendra Singh Bhati, Council Member, ICMAI, attended the 4th Mind-Money-Management Conference as Guests of Honour on 13th August 2026 at Brahma Kumaris Headquarters, Abu.

Felicitation of CMA Manoj Kumar Anand, Vice President, ICMAI, during his visit to EIRC of ICMAI on 15th August 2026 at Kolkata.

Signing of the MoU between ICMAI and Steel Authority of India Limited (SAIL) on 13th August 2026 at New Delhi, in the presence of CMA Manoj Kumar Anand, Vice President; CMA TCA Srinivasa Prasad, Immediate Former President; CMA Vinayaranjan P, Council Member; CMA (Dr.) D. P. Nandy, Secretary (Officiating), ICMAI; Shri Krishna Kumar Singh, Director (Personnel), SAIL; Shri Sanjay Dhar, ED (HR-L&D), SAIL/MTI; Shri S. K. Gupta, CGM (HR), SAIL and Shri Santosh Kumar, GM (HR), SAIL.

Celebration Of

INDIAN COST ACCOUNTS SERVICE DAY

CMA Lalit Wadhwa
Adviser (Cost) in Ministry of Health & Family Welfare,
Adviser (Cost) in Cost Audit Branch
Ministry of Corporate Affairs

Indian Cost Accounts Service Day 2026: Advancing Cost Optimisation for Atmanirbhar Bharat

The Indian Cost Accounts Service (ICoAS) Day 2026 was celebrated on 9th August, 2026 with enthusiasm and professional fervour at Vigyan Bhawan, New Delhi, bringing together senior government officials, representatives of the cost and management accounting profession, serving and former ICoAS officers, and distinguished experts. Organised by the Office of the Chief Adviser (Cost), Department of Expenditure, Ministry of Finance, the celebration provided an important platform to recognise the contribution of ICoAS to efficient public expenditure, cost management, defence procurement, indigenous manufacturing and strategic decision-making.

Indian Cost Accounts Service is an organized service in Government of India under the administrative control of Department of Expenditure, Ministry of Finance. The induction in this service is through a special examination conducted by Union Public Service Commission. Qualified Cost Accountants and Chartered Accountants are eligible to appear in this examination.

The theme of this year's celebration—"Role of ICoAS Officers in Cost Optimization for Atmanirbhar Bharat"—aptly captured the evolving role of cost professionals in strengthening India's economic and strategic self-reliance. The theme emphasised that cost optimisation is not merely an accounting or financial-control function but an important instrument for improving productivity, competitiveness, resource allocation and value for money in public expenditure.

Distinguished Gathering

The inaugural session was graced by Shri Rajesh Kumar Singh, Defence Secretary, as the Chief Guest, and Shri Sanjeev Kumar, Secretary, Department of Defence Production, as the Guest of Honour. Their presence underscored the growing significance of professional cost management in defence acquisition, indigenous defence production and the broader national objective of Atmanirbharta.

The professional fraternity was represented by the leadership of The Institute of Cost Accountants of India (ICMAI), including CMA Chittaranjan Chattopadhyay, President, ICMAI, and CMA Manoj Kumar Anand, Vice-President, ICMAI. Their participation reflected the close institutional relationship between ICMAI and the Indian Cost Accounts Service and the shared commitment towards strengthening the role of cost and management accounting in public financial management. A significant number of officers with CMA qualification are holding important government positions in the ICoAS. The list of officers holding ICoAS posts in various Ministries, Departments and Organisations under Government of India can be seen at https://doe.gov.in/files/circulars_document/CIVILLIST01062026.pdf

The programme was led by Shri Anand Kumar Pal, Chief Adviser (Cost), Department of Expenditure and Head of Service. Shri Pal who assumed charge as Chief Adviser (Cost) in April 2026 brings extensive experience in financial analysis, public policy, costing and pricing, including significant work in defence procurement.

Inaugural Ceremony and Message of Secretary (Expenditure)

The proceedings commenced with the ceremonial welcome of the Chief Guest and distinguished dignitaries, followed by a presentation showcasing the achievements of ICoAS officers. The inaugural ceremony included the traditional lighting of the lamp and Saraswati Vandana, Vande Mataram, and the display of messages from Shri V. Vualnam, Secretary (Expenditure), Department of Expenditure.

In his message, Secretary (Expenditure) Shri V. Vualnam acknowledged the valuable contribution of ICoAS officers towards effective cost management in Government. His message emphasised the importance of prudent resource utilisation, financial oversight and improved cost management across government. In the context of the expanding role of private-sector participation and Public-Private Partnerships, he highlighted the importance of sound cost structuring and appropriate risk allocation, particularly in strategic and defence-related sectors.

The message reinforced the need for ICoAS officers to move beyond traditional costing functions and contribute proactively to policy formulation, project appraisal, procurement strategy and efficient utilisation of public resources.

Address by the Chief Adviser (Cost)

In his inaugural address, Shri Anand Kumar Pal, Chief Adviser (Cost), highlighted the changing dimensions of public financial management and the need for ICoAS officers to remain responsive to emerging technologies and sophisticated analytical tools.

He emphasised the importance of advanced financial modelling, data visualisation and analytical approaches, while maintaining the highest standards of professional integrity. The evolving role of ICoAS requires a combination of domain expertise, technology orientation and sound professional judgement so that cost considerations can be integrated effectively into strategic government decision-making.

Addresses by the Chief Guest and Guest of Honour

Shri Rajesh Kumar Singh, Defence Secretary and Chief Guest, underlined the catalytic role of ICoAS officers in promoting cost optimisation across government, with particular relevance to defence procurement and indigenous manufacturing. He emphasised the importance of rigorous cost analysis and financial oversight in reducing import dependence and improving the efficiency of resource allocation.

The address was particularly significant in the context of India's expanding defence manufacturing ecosystem, where cost competitiveness, indigenous production and technological capability are increasingly interlinked which the service officers can effectively handle.

Shri Sanjeev Kumar, Secretary, Department of Defence Production and Guest of Honour, highlighted the strategic importance of cost-accounting expertise in scaling up indigenous defence manufacturing. He emphasised that the changing defence acquisition environment, increasing private-sector participation and the growing role of Public-Private Partnerships require ICoAS officers to continuously reinvent their professional approaches and contribute to new models of project structuring and acquisition. He also cautioned the service officers about not falling in "Intelligence Trap". Intelligence Trap is a phenomenon where highly intelligent people make poor decisions because they use their intelligence to defend and justify their existing beliefs rather than examining them objectively.

Release of Brochure and Recognition of Excellence

A commemorative brochure on the Indian Cost Accounts Service was also released during the inaugural session. The publication provided an overview of the Service, its evolution, professional responsibilities and its contribution to public financial management and national development.

A significant highlight of the celebration was the presentation of awards to ICoAS officers in recognition of exemplary professional contribution and service. Six young ICoAS officers were recognised through merit certificates and mementoes under the categories of Sarvottam, Ati Uttam, Uttam and Protsahan. These awards acknowledged individual contributions to cost efficiency initiatives and reinforcing a culture of professional excellence within the Service.

The recognition of young officers was particularly noteworthy as it demonstrated the Service's emphasis on nurturing professional excellence and encouraging innovation and measurable contributions to government cost management.

Technical Session I: Use of AI in Public Financial Management

The inaugural proceedings were followed by two focused technical sessions. The first technical session, was on "Use of AI in Public Financial Management", with Shri Nand Kumarum, IAS serving as the President and Chief Executive Officer (CEO) of the National e-Governance Division (NeGD), under the Ministry of Electronics and Information Technology (MeitY), Government of India, as the speaker.

The session was highly interactive and relevant to the rapidly changing landscape of public financial management. Artificial Intelligence has the potential to strengthen expenditure forecasting, budget planning and monitoring, financial analysis, anomaly detection, compliance monitoring and decision support. For a professional service such as ICoAS, the integration of AI with costing, financial modelling large-scale government datasets and decision making offers significant opportunities to improve the speed, quality and depth of analysis.

At the same time, responsible adoption of AI requires strong data governance, transparency, explainability, cybersecurity and human oversight. The technical discussion therefore provided an important perspective on how ICoAS officers can combine professional judgement with emerging analytical technologies.

The session was followed by an interactive question-and-answer segment, enabling participants to deliberate on practical applications and challenges associated with AI in public financial management.

Technical Session II: Stress Management

The second technical session, focused on "Stress Management", was delivered by Dr. Elangovan Aravind Raj, Additional Professor in the Department of Psychiatric Social Work at the National Institute of Mental Health and Neuro Sciences (NIMHANS) Bengaluru.

The inclusion of stress management in a professional programme was both timely and significant. ICoAS officers frequently handle complex assignments involving financial appraisal, costing, procurement, project evaluation, policy analysis and time-sensitive government decisions. Such responsibilities demand sustained analytical focus, resilience and effective interpersonal skills.

The session highlighted the importance of recognising workplace stress, developing healthy coping mechanisms, maintaining work-life balance and building emotional resilience. It complemented the technical orientation of the celebration by recognising that professional effectiveness depends not only on technical competence but also on personal well-being and resilience.

Felicitation of Former ICoAS Officers

The programme also included the felicitation of former ICoAS officers, symbolising the Service's respect for its institutional legacy and the contributions of its former members. The gesture provided an opportunity for serving officers to connect with the experience and institutional memory of their predecessors.

The event concluded with the presentation of mementoes to the technical-session speakers, followed by a vote of thanks. The celebration also included group photographs and interaction among serving officers, former officers and distinguished guests.

Strengthening the Future Role of ICoAS

The 2026 ICoAS Day was more than an annual commemoration. It served as a reflection on the changing responsibilities of a specialised professional service at a time when India is seeking greater efficiency, resilience and self-reliance in public expenditure and strategic sectors.

The theme, "Role of ICoAS Officers in Cost Optimization for Atmanirbhar Bharat," placed cost optimisation at the heart of the national development agenda. In defence, infrastructure, public procurement and PPP projects, robust costing and appropriate risk allocation can contribute to better investment decisions, enhanced competitiveness and greater value for public money. It is pertinent to mention that ICoAS officers through their analytical and professional skills have helped in savings thousand of Crore rupees of the Government which has been appreciated from time to time.

The discussions on Artificial Intelligence further demonstrated that the future of cost and public financial management will increasingly depend on the ability to combine professional expertise with data, technology and advanced analytical tools. At the same time, the session on stress management reinforced the importance of human capability and resilience in delivering these responsibilities effectively.

As India advances towards greater self-reliance and a more technology-driven public financial management ecosystem, the Indian Cost Accounts Service is well positioned to contribute through its distinctive expertise in cost optimisation, financial analysis, project appraisal, pricing, procurement, cost efficiency and evidence-based decision-making.

The celebration therefore reaffirmed a clear message: cost management and cost accounting is central to strategic public finance and ICoAS officers have an increasingly important role in ensuring that every rupee of public expenditure delivers maximum value for the nation. MA

GLIMPSES

DIGITAL COST MANAGEMENT 2.0: ADVANCED TECHNOLOGIES FOR SUSTAINABLE AND RESILIENT HEAVY INDUSTRIES

A Strategic Framework for Capital Efficiency, Predictive Accounting, and Industry 5.0 Transformation

Abstract

As industrial ecosystems transition from Industry 4.0 toward Industry 5.0, the focus of digital transformation expands beyond productivity and automation to encompass human-centricity, sustainability, and operational resilience. In capital-intensive and heavy process sectors—specifically cement manufacturing and large-scale infrastructure—digitalisation must evolve from an auxiliary Information Technology (IT) function into an integrated instrument for capital efficiency, lifecycle cost optimisation, and dynamic risk mitigation. This paper establishes the framework for Digital Cost Management 2.0 (DCM 2.0), shifting management accounting from historical variance reporting toward predictive optimisation. We analyse four foundational technologies: Artificial Intelligence (AI) and Advanced Analytics, Digital Twins, Industrial Internet of Things (IIoT) with Edge Computing, and Building Information Modelling (BIM) platforms. Furthermore, we define the evolving strategic role of the management accountant in driving multi-dimensional value creation across economic and environmental metrics.

CMA (Dr.) A S Durga Prasad
Former President
The Institute of Cost Accountants of India
Hyderabad
dp.anapindi@gmail.com

Introduction

Industrial manufacturing and infrastructure development stand at a critical juncture in digital transformation. While Industry 4.0 established the technical infrastructure for automation, interconnectivity, and big data, Industry 5.0 re contextualises these technical capabilities within a broader economic and societal mandate (European Commission, 2021). By prioritizing human empowerment, environmental sustainability, and system resilience alongside unit productivity, Industry 5.0 fundamentally redefines how capital and operating expenditures are planned, executed, and evaluated.

In process-driven sectors such as cement manufacturing and capital-intensive infrastructure projects, digital transformation yields limited value if managed strictly as an isolated IT objective. Instead, digitalisation must be leveraged as core for financial precision, risk management, and lifecycle value maximisation.

Traditional Accounting Cycle:

Budget ⟶ Actual ⟶ Variance ⟶ Explanation ⟶ Corrective Action

Digital Cost Management 2.0 Architecture:

Data ⟶ Intelligence ⟶ Prediction ⟶ Optimization ⟶ Decision ⟶ Action ⟶ Learning

While number of enterprise technologies support this ecosystem,I choose four core digital platforms constitute the backbone of DCM 2.0: Advanced Analytics, Digital Twins, IIoT with Edge Computing, and 5D+ BIM platforms.

Core Technological Platforms of DCM 2.0

1. Artificial Intelligence and Advanced Analytics

Conventional management accounting excels at identifying historical cost anomalies (e.g., reporting a 4% overrun in thermal or electrical energy). However, it lacks the real-time explanatory capability required to identify causal drivers or evaluate dynamic corrective measures before financial loss is incurred. Advanced analytics transitions management accounting from descriptive reporting to prescriptive action.

Cement Manufacturing & Waste Heat Recovery Applications

Cement production generates continuous operational data across quarries, crushers, raw/finish mills, kilns, preheaters, and energy recovery systems. Rather than evaluating energy intensity purely as a static financial metric (Cost/Tonne), AI analytics process multi-variable physical interactions:

Optimal Cost = f(Power, Heat, Fuel Quality, Feed Rate, Clinker Chemistry, Equipment Wear)

The cement kiln remains the largest consumer of thermal energy at about 40% of total variable cost. AI algorithms evaluate operational variables simultaneously to optimize the following core parameters:

- Burning zone temperature optimisation
- Free lime prediction and clinker quality forecasting
- Coating stability monitoring and kiln heat consumption reduction
- Alternative fuel optimisation and specific power consumption reduction (kcal/kg clinker)

Beyond core kiln operations, digital tools are extended to Waste Heat Recovery Systems (WHRS) to capture low-grade thermal energy and convert it to dynamic cost savings:

- Boiler Efficiency Monitoring: Dynamic tuning based on gas volumetric flows.
- Turbine Performance Analytics: Real-time extraction tracking and output optimisation.
- Gas Temperature Optimisation: Preheater and cooler off-gas balance control.
- Predictive Maintenance of WHRS Equipment: Early degradation alerts for heat exchangers and boiler tubes.
- Generation Forecasting: Continuous output modelling aligned with kiln feed rates.

The combined financial value proposition is realised across four pillars:

Value Proposition = Energy Savings + Production Increase + Quality Stability + Reduced Refractory Cost

Infrastructure Execution Applications

In infrastructure projects, AI models synthesise historical expenditure, physical progress data, contractor throughput, and market procurement trends to generate early dynamic forecasts of the Estimate at Completion (EAC). By alerting financial managers to projected cost overruns months before variance manifests in financial ledgers, accountants transition from historical auditors to forward-looking strategic advisors.

Industry practice in India confirms this transition: UltraTech Cement leverages AI/ML and computer vision for process optimisation and predictive maintenance; Ambuja Cements operates its Cement Intelligent Network Operations Centre (CiNOC) for real-time decision-making; and ACC uses High-Level Control systems for kiln and mill optimisation.

2. Digital Twins

A Digital Twin provides a real-time, dynamic virtual representation of a physical asset, integrating spatial, sensor, process, and financial data streams. Deployments of 3D digital twins in cement operations integrate process analytics to simulate alternative operational conditions prior to physical execution (Holcim, 2022).

Lifecycle Decision Value = Δ Production + Δ Energy + Δ Maintenance + Δ Quality - Δ Carbon Cost

For long-horizon civil infrastructure assets, capital evaluation shifts from initial construction cost toward Whole-Life Cost (WLC) and Whole-Life Value (WLV). Corporate deployments like Ambuja Cements' project-to-operations twins and Larsen & Toubro's AI-driven Digital Twin for District Metered Areas illustrate the expansion of digital twins from factory process simulation to infrastructure lifecycle management.

3. IIoT and Edge Computing

The Industrial Internet of Things (IIoT) provides high-frequency data collection, while edge computing processes, critical information locally, for real-time response. Continuous tracking of vibration, temperature, and motor current enables condition-based predictive maintenance, shifting financial focus from simple repair invoices to mitigating total failure costs.

Cost Element	Traditional Maintenance	IIoT Predictive Maintenance
Primary Metric	Invoiced Repair Cost	Total Cost of Failure (TCOF)
Operational Impact	Unplanned Downtime & Emergency Rates	Planned Intervention & Minimized Downtime
Accounting Formula	Direct Labor + Parts Invoices	Direct Repair + Lost Margin + Energy Inefficiency + Scrap

Implementations across ACC (vibration analytics), UltraTech (connected factories/RFID sensor tracking), and Tata Projects (real-time equipment health and fuel usage monitoring) demonstrate how high-frequency operational data directly informs cost decisions.

4. BIM and Digital Project Platforms

Building Information Modelling (BIM) extends beyond 3D spatial visualisation into temporal (4D), financial (5D), sustainability (6D), and facility operations (7D) dimensions.

Integrated 5D BIM Cascade:

Quantity Variation (3D) ⟶ Schedule Impact (4D) ⟶ Cost Adjustment (5D) ⟶ Dynamic Cash Flow & EAC Forecast

As demonstrated by Tata Projects and Larsen & Toubro, integrating 4D/5D BIM with IoT and AI converts design-coordination platforms into continuous financial and project-control command centres.

The Digital Cost Management Architecture

The strategic dividend of these technologies is realised when they operate within a unified, interdependent digital architecture rather than isolated silos. Operational data ingested from edge sensors flows through AI analytics into the digital twin, which directly feeds into the executive project control platforms and financial ledgers in real time.

The Evolving Role of the Management Accountant

Multi-Metric KPI Integration

Under Industry 5.0, management accountants must monitor operational performance using blended economic, energy, and environmental metrics:

Cement Production Index = Currency/Tonne + kWh/Tonne + Thermal MJ/Tonne + kg CO2/Tonne

To bridge shop-floor physical measurements with strategic financial ledgers, management accountants must track an integrated scorecard:

1. Thermal & Process Energy Indicators
   - kcal/kg clinker
   - kWh/ton cement
   - Kiln Availability (%)
   - Free Lime Variability
   - Clinker Factor

2. Alternative Fuel & Decarbonisation Indicators (TSR)
   - Thermal Substitution Rate (TSR %)
   - Alternative Fuel Cost Savings (Currency/Tonne)

- Net Carbon Avoidance (kg CO2/Tonne)
- Kiln Operational Stability Index

3. Waste Heat Recovery System (WHRS) Indicators
   - WHRS Generation (kWh/ton clinker)
   - WHRS Plant Availability (%)
   - Cost Delta: Self-Generated Power vs. Grid Power (Currency/kWh)
   - Net Carbon Avoidance via WHRS Power (tCO2e/Period)

4. Infrastructure Asset Indicators

Infrastructure Index = (Construction Cost / km) + (Lifecycle Maintenance Cost / km) + (Embodied Carbon / km)

Strategic Implementation Roadmap

Organisations should adopt an iterative six-step deployment framework:

- Step 1: Cost Driver Identification: Map the primary 10–20 operational variables driving >80% of total cost variance.
- Step 2: Data Integration: Harmonise Operational Technology (OT/SCADA) with Enterprise Resource Planning (ERP) databases.
- Step 3: IIoT & Asset Instrumentation: Instrument critical machinery, kilns, and WHRS boilers to capture high-frequency operational metrics.
- Step 4: Predictive Analytics Layering: Implement ML models focused on predictive maintenance, thermal usage, WHRS output, and failure prediction.
- Step 5: Digital Twin Integration: Construct simulation models for high-capital or process-critical assets.
- Step 6: Unified Cost Control Tower: Establish an executive cockpit visualizing unit costs, WHRS recovery yield, TSR margins, schedule variances, and dynamic cash forecasts.

DCM 2.0 should ultimately be assessed by the quality of decisions and value created, and not by the number of digital tools deployed. The relevant outcomes include lower unit cost, improved asset utilisation, reduced downtime, better financial discipline , timely project completion, improved energy efficiency, lower emissions and stronger resilience. Human judgement remains central: AI and automated analytics should support management decisions, with appropriate human review for material financial, operational, safety and sustainability consequences.

Value Creation and Human Oversight

The changing role does not require the management accountant to become a software engineer. It requires sufficient digital and operational literacy to question data, interpret models and translate technology outputs into business decisions. Important competencies required include data analytics, familiarity with tools such as SQL, Python or equivalent analytical platforms, AI literacy, process knowledge, sustainability accounting, model interpretation, digital governance and business partnering. These competencies complement rather than replace core accounting and commercial judgement.

Management Accountant Competencies

The benefits of DCM 2.0 depend on the quality and governance of the underlying data and models. DCM does not rule out Risks. Key implementation risks include poor data quality, cybersecurity threats, integration of legacy systems , model risk, , shortage of digital skills, change management which includes employees resistance, high initial investment etc. These risks require defined data ownership, access controls, model validation, human oversight, audit trails and periodic review of automated recommendations. The management accountant has an important role in establishing these controls and ensuring that technology-enabled decisions remain financially and operationally accountable.

Risks and Governance Challenges in DCM 2.0

The framework is developed through a synthesis of Industry 5.0 principles, digital technologies, management-accounting practices and emerging applications reported by major industrial and infrastructure organisations. It is a conceptual and practice-oriented framework rather than an empirical model based on primary survey data or statistical testing.

Basis of the Framework

The framework proposed should also be distinguished from existing industry practice. The Indian examples demonstrate that individual technologies and combinations of technologies are already being deployed by major organisations. They do not, by themselves, establish that the complete DCM 2.0 architecture has been implemented by any one organisation. DCM 2.0 is therefore presented as an integrative management-accounting framework that can connect these technologies with cost, cash, capital-efficiency, lifecycle and sustainability decisions.

The purpose of DCM 2.0 is not to replace conventional management accounting but to aid it by integrating operational, financial, environmental and predictive data into decision-making. Traditional budgeting, standard costing, variance analysis, financial controls and management reporting remain essential. DCM 2.0 extends these disciplines by enabling earlier identification of cost drivers, predictive analysis and more timely management intervention.

Conclusion

Digital Cost Management 2.0 redefines enterprise digital initiatives from secondary technology programmes into the integrated management framework for the industrial organisation. By integrating Artificial Intelligence, Digital Twins, IIoT, BIM, and waste energy optimisation platforms, process industries and infrastructure enterprises can seamlessly bridge physical plant behaviour with executive financial management.

Real-world evidence from industry leaders confirms that advanced technology adoption in process optimisation, WHRS efficiency, alternative thermal substitution, and predictive control is actively reshaping operations. For management accountants, DCM 2.0 unlocks an unprecedented opportunity to move beyond historical audits, connecting granular, real-time operating metrics directly with cost control, cash flow stability, capital efficiency, and lifecycle sustainability. MA

References

1. *Brilakis, I., Pan, Y., Borrmann, A., & Suchocki, C. (2020). BIM-to-Digital Twin Development for Infrastructure Asset Management. Journal of Infrastructure Systems, 26(4), 04020035.*
2. *European Commission. (2021). Industry 5.0: Towards a sustainable, human-centric and resilient European industry. Directorate-General for Research and Innovation. Policy Brief.*
3. *Holcim Group. (2022). Plants of Tomorrow: Digital Twin Deployment in Cement Operations. Global Operational Excellence Report.*
4. *World Bank Public-Private Partnership Legal Resource Center (PPPLRC). (2021). Digital Transformation in Infrastructure: BIM, AI, and Big Data Applications for Capital Projects. World Bank Group.*
5. *UltraTech Cement Limited. (2025). Integrated and Sustainability Report 2024-25. Digitalisation / Building the Intelligent Enterprise disclosures.*
6. *Ambuja Cements Limited. (2026). Integrated Annual Report 2025-26. Intellectual Capital, Manufactured Capital and digitalisation disclosures (CiNOC, Digital Twins).*
7. *ACC Limited. (2026). Integrated Annual Report 2025-26. Manufactured Capital disclosures (CiNOC, High-Level Control, IoT Analytics).*
8. *Larsen & Toubro Limited. (2025). Integrated Report 2024-25. Intellectual Capital: AI in processes and AI-driven Digital Twin applications.*
9. *Tata Projects Limited. (2025). Integrated Annual Report 2024-25. Digital-first execution, AI, BIM, IoT, and carbon tracking disclosures.*

Selected Technical Terms

1. *AI – Artificial Intelligence*
2. *IIoT – Industrial Internet of Things*
3. *BIM – Building Information Modeling*
4. *ERP – Enterprise Resource Planning*
5. *OT – Operational Technology*
6. *SCADA – Supervisory Control and Data Acquisition*
7. *EAC – Estimate at Completion*
8. *TSR – Thermal Substitution Rate*

INDUSTRY 5.0 AND MANAGEMENT ACCOUNTING: BRIDGING DIGITAL TRANSFORMATION AND BUSINESS VALUE

Abstract

Industry 5.0 builds on the efficiency-centric logic of Industry 4.0 by focusing on human-centricity, sustainability and resilience. The transition requires organisations to think beyond technology adoption and consider whether digital investments generate tangible economic, operational, human and environmental value. This conceptual paper shows how management accounting can create that link. It develops the framework Digital Technologies → Industry 5.0 Capabilities → Management Accounting → Enterprise Value. It integrates an Industry 5.0 Management Accounting KPI framework that covers financial value, operational excellence, human-centricity, sustainability, resilience, digital capability and governance. Management accounting tools such as activity-based costing, lifecycle costing, rolling forecasts, variance analysis, scenario analysis and investment appraisal are associated with technologies including artificial intelligence and machine learning (AI/ML), the industrial Internet of Things (IIoT), digital twins, cloud/edge computing, blockchain, collaborative robots and augmented/virtual reality. The article then goes on to show how technology investments can be evaluated using NPV, risk analysis and strategic non-financial criteria. It contends that management accountants should have a growing role as translators of digital information into decisions on cost, performance, capital allocation, risk and long-term enterprise value.

CMA (Dr.) Chandra Sekhar Rajanala
Corporate Professional
Hyderabad
drrajanala2025@gmail.com

Introduction

Industry 4.0 created a technology-driven model with automation, connectivity, data analytics and intelligent production. Industry 5.0 does not dismiss these capabilities but instead contextualises them within a broader framework of human-centric, sustainable and resilient value creation (European Commission, 2021; Leng et al., 2022). More specifically, the European Commission positions Industry 5.0 as a complement to Industry 4.0, but with a new focus on stakeholder value and industrial resilience.

This is an important managerial implication. Digital technologies produce a lot of operational information, but information does not create value by itself. Management must convert information into decisions about costs, capacity, investment, risk, and workforce capability and sustainability. Management accounting thus becomes an important translation mechanism between technological capability and enterprise value.

The article attempts to fill this gap by developing a conceptual relation between digital technologies, Industry 5.0 capabilities, management accounting and enterprise value. It also enriches the management accounting dimension with specific accounting tools, KPIs and decision applications and introduces technology investment appraisal as an integral part of Industry 5.0 implementation.

Management Transition from Industry 4.0 to Industry 5.0

Industry 5.0 is usually described with three interrelated principles, i.e., human-centricity, sustainability and resilience (Nahavandi, 2019; European Commission, 2021; Leng et al., 2022). The human-centric aspect is stressed by Nahavandi (2019) and the wider sustainability and resilience agenda is expanded by subsequent literature.

Table 1. Industry 4.0 and Industry 5.0: the management comparison

Dimension	Industry 4.0	Industry 5.0
Core orientation	Automation, connectivity and efficiency	Human-centric, sustainable and resilient value creation
Role of technology	Automate and optimise processes	Augment people and enable responsible decisions
Performance logic	Productivity, quality and cost outcomes	Financial, social, environmental and resilience outcomes
Human role	Operator, supervisor and system user	Partner, decision-maker and capacity owner
Sustainability	Important, but often secondary	Integrated strategic goal
Resilience	Often thought of as operational risk	Explicit capability & performance objective
Management accounting	Cost, budgeting and operational control	Cost, investment, risk, sustainability and strategic value management

This comparison is illustrative of the inadequacy of conventional financial reporting. Management accounting in Industry 5.0 has to link financial results with operational, human, sustainability and resilience measures.

Digital Technologies and Management Accounting

Technologies such as AI, IIoT, digital twins, cloud and edge computing, blockchain, collaborative robots and extended-reality technologies enable Industry 5.0 (Maddikunta et al., 2022). But their contribution as managers is dependent on the extent to which data are incorporated in planning, costing, control and investment decisions.

1. AI and Machine Learning

AI/ML can help with forecasting, anomaly detection, predictive maintenance and risk analysis. These capabilities support management accountants in rolling forecasts, variance analysis and predictive cost modelling. The question is not only whether AI improves prediction, but whether improved prediction changes decisions and creates measurable value.

2. Industrial IoT

IIoT provides real time info on machines, production volumes, energy use, quality and inventory. This information may improve standard costing, capacity analysis, working-capital management, and operational variance analysis.

3. Digital Twins

Digital twins allow for testing alternative production configurations and investment scenarios before implementation. They are therefore complementary to lifecycle costing, capital budgeting, sensitivity analysis and scenario planning.

4. Cloud and Edge Computing

Architectures based on cloud and edge increase the speed of processing and access to information. They allow decentralised decision making, support rolling forecasts, integrated dashboards and cost to serve analysis.

5. Blockchain

Blockchain can enhance traceability, provenance and control of transactions across supply chains. Management accounting applications include supplier costing, procurement analysis, and exception-based control.

6. Cobots and AR/VR

Collaborative robots and AR/VR augment workers instead of simply replacing labour. Management accounting should therefore measure productivity, training, safety and capability development impacts as well as direct labour savings. Additionally, Longo et al. (2020) promote value-based and ethical technology engineering in Industry 5.0.

Table 2. Digital technologies and management accounting applications

Technology	Industry 5.0 application	Application of management accounting	Illustrative KPI
AI/ML	Predictive and analytical decision support	Forecasting, variance analysis, risk modelling	Forecast accuracy; decision-cycle time
IIoT	Real-time operational visibility	Standard costing, capacity analysis, working-capital control	OEE; inventory days; cost per unit
Digital twins	Scenario testing and process optimisation	Lifecycle costing, capital budgeting, sensitivity analysis	Scenario NPV; energy/unit; downtime avoided
Cloud/Edge	Timely and scalable information	Rolling forecasts, dashboards, cost-to-serve analysis	Reporting cycle time; data availability
Blockchain	Traceability and transaction assurance	Supplier costing, provenance and control	Traceability level; exception rate
Cobots	Human-machine augmentation	Labour productivity, safety and workforce planning	Output per employee; safety incidents; training hours
AR/VR	Human capability and learning	Training cost analysis, maintenance support	Time to competency; maintenance time

Theoretical Framework

The main contribution of the present article is the following conceptual path:

Digital Technologies → Industry 5.0 Capabilities → Management Accounting Information and Decision → Enterprise Value

Digital technologies offer data and computational power. These capabilities underpin Industry 5.0 outcomes such as human-centricity, sustainability, resilience, agility and transparency. The results are then translated into costs, budgets, forecasts, KPIs, investment appraisals and strategic decisions by management accounting. Those decisions impact revenue growth, margins, capital efficiency, risk and long-term enterprise value.

This relation can be written as:

EV = f(revenue growth, operating margin, invested capital efficiency, risk, resilience, human capability, sustainability)

The usual discounted-cash-flow relation holds:

$$EV = \sum [FCF^t / (1 + WACC)^t] + Terminal\ Value$$

The framework thus is not a substitute for measurement of financial value. Instead, it identifies the operational and strategic drivers through which Industry 5.0 capabilities ultimately create financial value.

Fig. 1. Theoretical perspective

Digital Technologies
↓
AI/ML | IIoT | Digital Twins | Cloud/Edge | Blockchain | Cobots | AR/VR
↓
Industry 5.0 Skills
Human-centricity | Sustainability | Resilience | Agility | Transparency
↓
Managerial Accounting
Costing | Budgeting | Forecasting | Measurement of KPIs | Risk analysis | Investment appraisal
↓
Managerial discretion
Cost, Capacity, Workforce, Sustainability, Risk, Capital Allocation
↓
Firm Value
Revenue growth | Margin | Capital efficiency | Risk reduction | Resilience | Long term value

Strengthening the Management Accounting Function

Industry 5.0 demands that management accounting moves beyond historical reporting. With activity based costing (ABC) it is possible to determine the resource consumption and profitability of products, customers and processes (Cooper & Kaplan, 1991). Product cost is targeted to meet customer value (target costing) and includes development, production, maintenance and disposal costs (lifecycle costing). In volatile environments rolling forecasts allow continuous planning and scenario analysis gives managers the ability to assess alternative technology and resilience options.

Relevant costing and throughput analysis may be useful for short term capacity decisions. The Balanced Scorecard provides a multidimensional performance architecture, beyond solely financial outcomes (Kaplan & Norton, 1992).

Therefore, management accountants are becoming more engaged in three activities: transforming operational data into economic information, designing integrated performance systems, and assessing technology investments.

Literature Support

The recent literature indicates a fundamental change of the role of management accounting from traditional reporting and cost control to real-time decision support, strategic analysis and integrated performance management as a consequence of the digital transformation. Bhimani and Willcocks (2014) argue that the nature and use of accounting information is being transformed by digitisation and big data, which is increasing the volume, speed and variety of information available to managers. Similarly, Rikhardsson and Yigitbasioglu (2018) refer to business intelligence and analytics as important developments for management accounting, especially when decision support, performance management and forecasting. Appelbaum et al. (2017) also show how business analytics and enterprise systems can enhance managerial accounting by enhancing the analysis of operational and financial information. Möller, Schäffer and Verbeeten (2020) note that management accounting and control is being disrupted by digitalisation, with a need for new approaches to data, analysis and organisational decisions. Recent research also points to changes in the management accountant's role. Technology is having an increasing impact on managerial decision-making, organisational structures and the balance between human and algorithmic judgement. The transformation is more extensive within the Industry 5.0 context as technology is expected to not only boost productivity but also foster human-centricity, sustainability and resilience (European Commission, 2021; Leng et al., 2022; Ghobakhloo et al., 2024). Specifically, Ghobakhloo et al. (2024) argue that digital capabilities should focus on human-centred, sustainable and resilient production instead of efficiency alone. Hence, management accounting can play a critical translation role in translating digital and operational information into costs, forecasts, KPIs, investment appraisals and strategic decisions that link Industry 5.0 capabilities with enterprise value.

Industry 5.0 Management Accounting KPI Framework

An integrated KPI system is an important requirement. Financial measures continue to be important but need to be complemented by operational, human, sustainability, resilience, digital and governance indicators.

Table 3. Industry 5.0 Management Accounting KPI Model

Dimension	KPI Example	Calculation	Decision Use
Financial value	NPV, EVA, operating cash-flow improvement, cost-to-serve	Discounted cash flows, NOPAT - capital charge	Investment and value decisions
Operational excellence	OEE; cost per good unit; forecast accuracy; downtime avoided	Availability × performance × quality	Capacity and process decisions
Human-centricity	Training hours per employee; time to competency; safety incident rate; employee adoption rate	Training hours/ employee; incidents per hours worked	Workforce and capability decisions
Sustainability	Energy intensity; emissions intensity; material waste rate; water intensity	Resource use/output	Sustainability and cost decisions
Resilience	Mean recovery time; % critical suppliers covered; readiness to recover; revenue at risk	Recovery time; % critical suppliers covered	Decisions on risk and continuity
Digital capability	Data availability, system integration rate, automation rate and model performance	Available records/ required records	Digital investment decisions
Governance	Exception rate; cyber incidents; data quality score; responsible AI compliance	Exceptions / transactions; compliance rate	Control and assurance

Appraisal of Technology Investment

Technology investment appraisal should be a central part of management accounting in Industry 5.0. The payback period or accounting return alone should not be used to make investment decisions. The appraisal should consider lifecycle cost, incremental cashflows, risk, strategic fit and non-financial outcomes.

Eight stages are suggested:

1. **Strategic fit** – assess how well it fits with the objectives of Industry 5.0.
2. **Baseline** – determine current costs, performance and risk.
3. **Lifecycle Cost** – including acquisition, implementation, training, maintenance, integration and disposal costs.
4. **Incremental benefits** – find additional revenue, cost savings, capacity, quality and avoided losses.
5. **Financial assessment** – use NPV, IRR, profitability index and relevant cash flows.
6. **Risk analysis** – sensitivity and scenario analyses.
7. **Non-financial appraisal** – human, sustainability and resilience impacts assessed.
8. **Post investment review** – compare actual results with initial business case.

For example, an investment of Rs.10 million with cash inflows of Rs.3.0 million, Rs.3.5 million, Rs.4.0 million, Rs.4.0 million and Rs.3.5 million for five years. The investment generates a positive NPV of approximately ₹2.84 million with a discount rate of 12%, suggesting financial viability subject to risk and execution assumptions.

So the Industry 5.0 investment rule is:

Financial viability + Strategic fit + Human impact + Sustainability impact + Resilience impact + Governance acceptability

Linkage of KPI to Value Driver

KPIs should not be a reporting exercise. Each indicator should have a clear decision purpose and value driver.

Table 4. KPI to Value Driver Mapping

KPI group	Value driver	Impact on enterprise value
OEE, downtime, throughput	Usable capacity	Revenue growth and operating margin
Cost per good unit	ABC cost-to-serve	Enhanced cost visibility, margin improvement
Forecast accuracy, Days in inventory	Lower inventory and volatility	Working-capital efficiency
Training and adoption	Speed up capability development	Productivity & retention
Energy and material intensity	Reduced resource consumption	Operational savings and sustainability positioning
Recovery time and supplier coverage	Less exposure to disruption	Lower expected losses and risk
Data Quality and Integration	More certainty of decisions	Less risk of decisions and faster response
NPV, EVA	Capital discipline	Investment efficiency and value creation

The management process should be a closed cycle:

Measure → Analyse → Decide → Implement → Review → Update Assumptions → Measure

Strategic Implementation Roadmap

Table 5. Strategic roadmap

Phase	Time	Key Actions	Role of Management Accounting	Expected Outcome
Phase 0	0-6 months	Digital and organisational readiness assessment; baseline KPIs	Establish baseline costs, risks and value drivers	Prioritised business cases
Pilot	6-18 months	Small-scale AI, IIoT, digital-twin or cobot projects	Investment appraisal and benefit tracking	Proof of value
Scale	18–36 months	Integrate systems and expand successful use cases	Rolling forecasts, ABC, KPI governance	Enterprise capability

Phase	Time	Key Actions	Role of Management Accounting	Expected Outcome
Continuous improvement & cross functional integration	36+ months	Optimise	Post-investment review & strategic performance management	Sustainable value creation

Regulation and Challenges

There are a number of risks that may dilute the link between digital capability and enterprise value. Forecasts and KPIs are only as good as the data behind them. Cybersecurity and privacy risks can result in financial and reputational losses. Resistance from the workforce can block anticipated productivity gains. AI models may also introduce bias, opacity or model risk. Total ownership costs can be increased by technology lock-in and short technology lifecycles.

Governance should therefore provide clear data ownership, model accountability, cyber security controls, exception reporting and periodic technology reviews. Responsible technology design is particularly relevant because Industry 5.0 explicitly incorporates humans and societal outcomes in the value equation (Longo et al., 2020).

Discussion and Research Propositions

The framework implies that adoption of technology alone will not result in sustainable enterprise value. Value depends on the org capabilities enabled by technology and on management's ability to translate these capabilities into decisions.

- **Proposition 1:** Digital technology creates higher enterprise value when it is transformed into measurable Industry 5.0 capabilities and connected to managerial decisions.
- **Proposition 2:** Financial measures alone are not a comprehensive enough basis for managing the performance of Industry 5.0, but integrated financial, operational, human, sustainability and resilience indicators are.
- **Proposition 3:** Combining NPV, sensitivity analysis, and non-financial strategic criteria leads to more robust technology investment decisions than relying solely on payback or accounting returns.
- **Proposition 4:** The value of real time digital information is dependent on the quality of the data and the accountability and ability of the organization to act on that information.
- **Proposition 5:** A post-investment review is critical to improve future decisions on technology investments and capital allocation.

Implications for Management Accounting

The framework offers three main implications. First, management accountants act as interpreters of operational data, translating digital data into economically meaningful measures. Secondly, they act as architects of integrated performance systems that connect financial and non-financial KPIs. Third, they are partners in technology investment decisions, evaluating lifecycle costs, benefits, risk and strategic value.

So the job moves from explaining what happened to helping management decide what should happen next.

Summary

Industry 5.0 should be guided as a value creation system, not just a technology program. Its technologies can produce large amounts of operational information and new capabilities, but the value for the enterprise hinges on whether these capabilities are translated into effective management decisions.

The article provides a conceptual framework of the digital technologies → Industry 5.0 capabilities → management accounting → enterprise value, an integrated KPI framework and a technology investment appraisal approach. This is how strengthening management accounting means organisations can assess not only cost and financial returns but also human capability, sustainability, resilience, digital maturity and governance.

The key implication is the growing strategic role of management accountants in Industry 5.0: bridging technology with measurable performance, disciplined investment and long-term enterprise value. MA

References

1. *Appelbaum, D., Kogan, A., Vasarhelyi, M., & Yan, Z. (2017). Managerial accounting, business analytics and enterprise systems: Impact. International Journal of Accounting Information Systems, 25, 29–44.*
2. *Bhimani, A., & Willcocks, L. (2014). Digitisation, 'big data' and the transformation of accounting information. Accounting and Business Research, 44(4), 469–490. https://doi.org/10.1080/00014788.2014.910051*
3. *Cooper, R., & Kaplan, R. S. (1991). Activity-based costing and profit priorities. Harvard Business Review, 69(3), 130–135.*
4. *European Commission (2021). Industry 5.0: Toward a sustainable, human-centric and resilient European industry. Publications Office of the European Union. DOI: 10.2777/308407.*
5. *Ghobakhloo, M., Mahdiraji, H. A., Iranmanesh, M., & Sadeghi, V. J. (2024). From digital manufacturing in Industry 4.0 to digital society in Industry 5.0: A roadmap toward human-centric, sustainable and resilient production. Information Systems Frontiers.*
6. *Kaplan, R. S., & Norton, D. P. (1992). The Balanced Scorecard – Metrics that Drive Performance. Harvard Business Review, 70(1), pp. 71–79.*
7. *Leng, J., Sha, W., Wang, B., Zheng, P., Zhuang, C., Liu, Q., Wuest, T., Mourtzis, D., & Wang, L. (2022). Industry 5.0: Looking ahead and behind. Journal of Manufacturing Systems, 65, 279–295. https://doi.org/10.1016/j.jmsy.2022.09.017*
8. *Longo, F., Padovano, A., & Umbrello, S. (2020). A human-centered approach for the design of the factory of the future: Value-driven and ethical technology engineering in Industry 5.0. Applied Sciences, 10(12), 4182. https://doi.org/10.3390/app10124182*
9. *Maddikunta, P. K. R., Pham, Q.-V., P., B., Deepa, N., Dev, K., Gadekallu, T. R., Ruby, R., & Liyanage, M. (2022). Industry 5.0: A survey on enabling technologies and prospective applications. Journal of Industrial Information Integration, 26, 100257. https://doi.org/10.1016/j.jii.2021.100257*
10. *Moll, J., & Yigitbasioglu, O. (2019). The contribution of Internet-related technologies to the work of accountants: New directions for accounting research. British Accounting Review, 51(6), 100833.*
11. *Möller, K., Schäffer, U., & Verbeeten, F. (2020). Digitalisation in management accounting and control: an introductory overview. Journal of Management Control, 31, pp. 1-6.*
12. *Nahavandi, S. (2019). Industry 5.0 – A human-centric approach. Sustainability, 11(16), 4371. https://doi.org/10.3390/su11164371*
13. *Quattrone, P. (2016). Management accounting in the digital era: The unexpected impact of technology. Accounting, Auditing & Accountability Journal, 29(4), 513-540.*
14. *Rikhardsson, P., & Yigitbasioglu, O. (2018). Business intelligence & analytics in management accounting research: Status and future focus. International Journal of Accounting Information Systems, 29, 37-58.*

Congratulations!!!

Heartiest congratulations to CMA Ramesh Kumar Gochhayat on assuming charge as Director (Finance), IREL (India) Limited, in the presence of the Chairman & Managing Director (CMD), Director (Marketing), Director (Technical) and other senior officials of the Company.

We extend our warmest wishes to CMA Ramesh Kumar Gochhayat for continued success and excellence in this important role and in all his future endeavours.

MAKING WASTE VISIBLE: MATERIAL FLOW COST ACCOUNTING UNDER ISO 14051 AS THE COSTING SPINE OF CIRCULAR PRODUCTION

CMA Boovaraghavan R
Practicing Cost Accountant
Ranipet
boovaraghavan2211@gmail.com

Abstract

Conventional cost accounting is designed to establish whether period costs are recovered from sales, not to isolate the cost of material that never becomes a product; material losses are therefore absorbed into production overhead and waste remains financially invisible where it is created. Material Flow Cost Accounting (MFCA), standardised under ISO 14051:2011, extends the cost accounting system by tracing inputs through each quantity centre and separating the cost of positive products from that of negative products. This article sets out the computational structure of MFCA, illustrates it through a quantity-centre matrix, and draws on the documented Nitto Denko implementation to show how visibility of loss cost drives capital allocation. It links MFCA output to BRSR disclosure obligations, examines why adoption has stalled internationally despite positive case evidence, and argues that Cost and Management Accountants are uniquely placed to institutionalise the framework in Indian industry.

Introduction: Where Waste Hides in the Cost Sheet

Conventional cost accounting was designed to answer a particular question: whether the costs incurred in a period are recovered from sales. It answers that question reliably. It was not designed to establish how much of that cost was spent on material which never became a product, and so it does not (APO, 2014). Materials consumed are recorded, conversion costs absorbed, scrap realisation credited, and a sound cost per unit emerges. Yet the rejected casting, the machining turning, the trimmed edge and the evaporated solvent each carried a full share of purchase price, freight, duty, electricity, labour and depreciation up to the moment of discard, and that expenditure is absorbed into the cost of good output, indistinguishable from value-adding expenditure.

The gap widens where the loss is recyclable. Because such material is reused internally or sold to recyclers, it appears as a credit rather than a loss, and the conversion effort already embedded in it is not separately recognised. Auxiliary materials — solvents, detergents, cleaning water — are commonly managed at equipment level rather than accounted for by product. This is a limitation of the method, not of the practitioner, and it is observed wherever conventional costing is applied.

The distinction matters more now than it once did. Industry 5.0 asks enterprises to build production systems that are sustainable and circular by design, and a circular model cannot be justified to a board on environmental sentiment alone; it must be justified on cost, which requires the cost of linearity to be measured first. Material Flow Cost Accounting (MFCA) supplies that measurement.

What ISO 14051 Prescribes

MFCA is an environmental management accounting tool developed in Germany in the late 1990s and refined in Japan, where the Ministry of Economy, Trade and Industry supported the first corporate pilots. Japan proposed its standardisation, and ISO/TC 207 developed ISO 14051, published in 2011 (ISO, 2011). ISO 14052:2017 extends the framework across the supply chain; ISO 14053:2021 gives phased implementation guidance for small and medium enterprises.

The framework rests on four fundamental elements: the quantity centre, the material balance, cost calculation, and the material flow model (APO, 2014). A quantity centre is a process, group of processes or storage point at which inputs and outputs are quantified, so that losses are located, not merely totalled. The material balance requires that mass entering a quantity centre equal mass leaving it, adjusted for inventory change; physical reconciliation precedes monetary analysis. Output is then divided into positive products and negative products — losses in every form: scrap, rejects, effluent, emissions and evaporation. The term "negative product" rather than "waste" is deliberate: it requires losses to be costed in exactly the manner products are costed.

Four cost categories are traced: material, energy, system (labour, depreciation, maintenance, transport) and waste management. The first three are allocated across both positive and negative products; waste management cost attaches wholly to the negative product.

The Computational Core

For each quantity centre, the material balance is stated as:

$$\Sigma \textit{ Material Inputs} = \Sigma \textit{ Positive Products} + \Sigma \textit{ Negative Products} \pm \Delta \textit{ Inventory}$$

The allocation basis is the material distribution percentage — the share of input mass emerging as intended output, taken here as a ratio:

$$\alpha = \textit{Mass of positive product} \div \textit{Total mass of material input}$$

The cost carried by material losses at a quantity centre is then:

$$\textit{Negative product cost} = (MC + EC + SC) \times (1 - \alpha) + WMC$$

where MC, EC, SC and WMC denote material, energy, system and waste management cost. Where these are captured only facility-wide, they are first apportioned to quantity centres on a defensible driver — machine hours, operating time or man-hours — then allocated to outputs (APO, 2014).

An Illustrative Quantity-Centre Analysis

Consider a precision auto-component machining unit consuming 100 MT of alloy steel bar in a month at ₹65,000 per MT. Output is 78 MT of finished components; 22 MT leaves as turnings, offcuts and rejects. Energy cost is ₹8.00 lakh, system cost ₹22.00 lakh and waste handling ₹1.50 lakh. Scrap realises ₹18,000 per MT. ISO 14051 presents the outcome as a material flow cost matrix.

Table 1: Material Flow Cost Matrix for the Quantity Centre (one month, ₹)

Cost	Material	Energy	System	Waste mgmt.	Total
Positive product (78 MT)	50,70,000	6,24,000	17,16,000	—	74,10,000
Negative product (22 MT)	14,30,000	1,76,000	4,84,000	1,50,000	22,40,000
Total	**65,00,000**	**8,00,000**	**22,00,000**	**1,50,000**	**96,50,000**
Negative product share	**22.0%**	**22.0%**	**22.0%**	**100.0%**	**23.2%**

Note: Material, energy and system costs allocated on the material distribution percentage (α = 0.78); waste management cost assigned wholly to the negative product, per ISO 14051. Figures are indicative and constructed for illustration.

The unit's costing system correctly reports a cost of production of ₹1,18,641 per MT after crediting scrap realisation. MFCA offers a second reading of the same data: ₹22.40 lakh — 23.2 per cent of period cost — was spent on material that did not become a product, against a scrap recovery of ₹3.96 lakh. The unrecovered element is ₹18.44 lakh a month, or ₹2.21 crore a year, presently absorbed within the cost per tonne rather than presented as a figure to be managed. The cost attributable to the positive product alone is ₹95,000 per MT. Neither number is wrong; they answer different questions.

From Loss Visibility to Capital Allocation

Industry 5.0 treats sustainability as a design parameter rather than a compliance overlay. The difficulty is that circular interventions — near-net-shape forming, closed-loop scrap recovery, remanufacturing, design for disassembly — require capital and compete against conventional projects at the same hurdle rate. They lose that contest when benefits are stated in tonnes of waste avoided while costs are stated in rupees.

The documented implementation at Nitto Denko Corporation, Japan's first ministry-supported MFCA adopter, shows how the asymmetry is resolved. Examining an adhesive-tape line at its Toyohashi plant across five quantity centres, Nitto found positive products accounted for 67.17 per cent of period cost and negative products for 32.83 per cent. Its conventional accounts reported a single cost of sales; the material flow profit-and-loss statement showed an identical operating profit but carried the cost of negative products separately. Nothing in the financial statements changed — everything in the management statement did. On the strength of that visibility, the company committed a further ¥700 million of capital investment and lifted the positive-product share from 67 to 78 per cent within three years (APO, 2014).

The same discipline applies to the illustration above, provided the ₹22.40 lakh is read correctly. Material cost and waste handling of ₹15.80 lakh are directly avoidable, though eliminating the loss also forgoes ₹3.96 lakh of scrap realisation, leaving ₹11.84 lakh of net cash benefit. The remaining ₹6.60 lakh of energy and system cost does not disappear when yield improves; it reattaches to the positive product and is recovered only to the extent that released capacity produces saleable output.

The Indian Regulatory Pull

Until recently MFCA in India lacked an external driver. That has changed. SEBI's Business Responsibility and Sustainability Reporting framework (SEBI, 2021), mandatory for the top 1,000 listed entities from FY 2022-23, requires quantified disclosure of waste generated by category, waste recovered through recycling and reuse, and waste disposed, under Principle 6 of the National Guidelines on Responsible Business Conduct. BRSR Core extends assurance to a defined subset of these indicators (SEBI, 2023). Extended Producer Responsibility obligations under the plastic, e-waste and battery waste rules separately require producers to trace material flows to the recycler.

Each demands precisely what MFCA generates: a reconciled physical material balance at process level. In many entities these figures are assembled from environment and safety records kept for another purpose, so the disclosure is satisfied but the data is not tied to the cost records. An MFCA system built once serves both ends, yielding the physical quantities BRSR demands and the monetary analysis the board needs from one reconciled dataset.

Why MFCA Has Stalled — and How Not to Repeat It

The international record carries a warning. Christ and Burritt (2016) assess MFCA against Rogers' diffusion of innovation framework and find it well placed on the attributes that ordinarily drive adoption — relative advantage, compatibility, low complexity and trialability — yet take-up has remained slow. A Japanese survey they cite found that while roughly three-quarters of responding companies knew of MFCA, only about one in fifteen had implemented it even partially. Knowledge is not adoption, and a later survey of 27 adopting Japanese firms found a significant number discontinued after a short period (Kitada et al., 2022).

Two failure modes emerge, both avoidable. The first is positioning. MFCA is frequently run as a one-off diagnostic, produces a report, and is never embedded in the routine reporting cycle; when the project team disperses, so does the practice. The remedy is to place MFCA output in the monthly cost report operating management is accountable for, and to assign ownership to the costing function.

The second is pilot selection. ISO 14051 advises beginning with processes carrying significant environmental and economic impact, but presumes the organisation can identify them — a presumption research has shown to be unreliable (Christ and Burritt, 2016). A pilot placed on a low-loss process returns an unimpressive result and can prompt abandonment of a technique that would work well elsewhere. Selection should follow a preliminary material balance rather than intuition.

The CMA's Mandate

Little of this is unfamiliar territory. Quantity centres are cost centres reconstructed around material flow; material balance is yield and rejection analysis raised to a reconciliation standard; cost allocation is the daily work of the profession. MFCA is best understood as an extension of the cost accounting system rather than a replacement for it (Christ and Burritt, 2016), and here Indian industry begins from an unusually strong position. The statutory cost records maintained under the Companies (Cost Records and Audit) Rules, 2014 already capture consumption, yields and rejections at process level — data enterprises in most jurisdictions would have to build from nothing. What remains to be added is the quantity-centre architecture and the allocation to negative products.

Implementation is transdisciplinary, drawing on operational, technical, quality-control, environmental and accounting expertise (APO, 2014). The Cost and Management Accountant is the natural convenor — the one member holding process-level data, allocation discipline and standing with operating management.

The professional opportunity is largely unclaimed. Published MFCA work remains dominated by Japanese, European and South-East Asian cases; Indian evidence is confined largely to enterprise-level studies such as the application documented in a steel pipes and tubes SME (Sahu et al., 2021). For members in practice, MFCA is a definable advisory service with a measurable deliverable; for members in industry, it converts a sustainability commitment into a capital allocation argument that survives scrutiny.

Conclusion

Circular production will not be achieved through targets. It will be achieved when the cost of not being circular appears, in rupees, in a statement for which operating management is accountable. ISO 14051 supplies the framework, ISO 14052 and ISO 14053 the routes to supply-chain and SME application, and none demands certification. The technique is disciplined material accounting, applied to the flows conventional costing was never built to see.

For Indian manufacturing, entering an Industry 5.0 decade under tightening disclosure obligations, the question is no longer whether waste carries a cost. It is how that cost is to be measured, and by whom. The profession best placed to answer already holds the cost sheet. MA

References

1. *Asian Productivity Organization (APO) (2014) Manual on Material Flow Cost Accounting: ISO 14051. Edited by H. Tachikawa. Tokyo: APO.*
2. *Christ, K. L. and Burritt, R. L. (2016) 'ISO 14051: a new era for MFCA implementation and research', Revista de Contabilidad – Spanish Accounting Review, 19(1), pp. 1–9.*
3. *International Organization for Standardization (2011) ISO 14051:2011 Environmental Management — Material Flow Cost Accounting — General Framework. Geneva: ISO.*
4. *International Organization for Standardization (2017) ISO 14052:2017 Environmental Management — Material Flow Cost Accounting — Guidance for Practical Implementation in a Supply Chain. Geneva: ISO.*
5. *International Organization for Standardization (2021) ISO 14053:2021 Environmental Management — Material Flow Cost Accounting — Guidance for Phased Implementation in Organizations. Geneva: ISO.*
6. *Kitada, H., Tennojiya, T., Kim, J. and Higashida, A. (2022) 'Management practice of material flow cost accounting and its discontinuance', Cleaner Environmental Systems, 6, 100089.*
7. *Ministry of Corporate Affairs (2014) The Companies (Cost Records and Audit) Rules, 2014. New Delhi: Government of India.*
8. *Ministry of Corporate Affairs (2019) National Guidelines on Responsible Business Conduct. New Delhi: Government of India.*
9. *Sahu, A. K., Padhy, R. K., Das, D. and Gautam, A. (2021) 'Improving financial and environmental performance through MFCA: a SME case study', Journal of Cleaner Production, 279, 123751.*
10. *Securities and Exchange Board of India (2021) Business Responsibility and Sustainability Reporting by Listed Entities, Circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562, 10 May. Mumbai: SEBI.*
11. *Securities and Exchange Board of India (2023) BRSR Core — Framework for Assurance and ESG Disclosures for Value Chain, Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, 12 July. Mumbai: SEBI.*

COSTING THE CIRCLE: A FUSED INDUSTRIAL ENGINEERING–COST ACCOUNTING MODEL FOR SUSTAINABLE PRODUCTION

Sustainable and Circular Production Models

Abstract

Manufacturing faces mounting pressure to decouple growth from resource use while remaining cost-competitive. This article shows how converging Industrial Engineering (IE) and Cost and Management Accounting (CMA) accelerates the shift from linear, take-make-dispose production to sustainable and circular production models. IE tools — work measurement, process mapping, facility layout, DFMA, and statistical process control — generate the operational data that CMA techniques such as Material Flow Cost Accounting (MFCA), activity-based costing, target costing, and life cycle costing need to make material losses, energy waste, and end-of-life costs financially visible. This fusion turns circularity from an environmental aspiration into a cost-justified strategy. The article identifies key barriers — data infrastructure, organisational silos, valuation of externalities — and outlines future research directions.

CMA T D Baskaran
ERP Consultant & Researcher
Chennai
baskaran.be.cma@gmail.com

Introduction

Global manufacturing faces sustained pressure to reconcile profitability with planetary boundaries: resource extraction is projected to rise sharply under business-as-usual scenarios, and manufacturing accounts for a significant share of global emissions and material throughput. The circular economy paradigm — designing out waste, keeping materials in use, regenerating natural systems (Ellen MacArthur Foundation, 2015) — has moved into mainstream strategy. Yet shifting from linear "take–make–dispose" production to a circular model needs both operational tools to redesign processes and financial tools to make circularity's costs and benefits visible to decision-makers.

This is where Industrial Engineering (IE) and Cost and Management Accounting (CMA) become relevant. IE supplies methods — work measurement, method study, facility layout, production planning, quality control — to redesign processes and cut waste, energy, and material loss. CMA supplies methods — cost allocation, standard costing, variance analysis, budgeting, environmental management accounting — to translate those changes into decision-useful financial information. Long evolved separately, their fusion is now a practical necessity, since circularity decisions are simultaneously physical and financial. This article examines their foundations, integration mechanisms, barriers, and future research directions.

Conceptual Foundations

1. Industrial Engineering as an Enabler of Circularity

Industrial Engineering applies engineering analysis to design, improve, and control production systems. Its toolkit — work measurement, method analysis, facility layout, production planning, quality control — was built to raise throughput and cut cost; applied with a circularity lens it drives resource efficiency. Lean manufacturing targets waste — overproduction, waiting, transport, over-processing, inventory, motion, defects — much of which maps onto losses circular frameworks target (Ghaithan et al., 2023). DFMA and eco-design extend IE into design decisions governing disassembly, repair, and recycling (Discover Engineering, n.d.). IE thus both cuts waste at source and generates the granular data circularity's financial valuation requires.

2. Cost and Management Accounting for Sustainability

CMA provides the financial infrastructure for decision-making: cost allocation, budgeting, standard costing, variance analysis. Conventional practice has a blind spot for circularity — material losses are typically buried in overhead rather than isolated as their own cost (Christ & Burritt, 2015). Environmental management accounting corrects this: MFCA, standardised as ISO 14051, treats waste as a "negative product" with its own material, system, and delivery costs, making inefficiency financially visible (International Organization for Standardization, 2011; Christ & Burritt, 2015). Related tools — ABC, target costing, life cycle costing — extend this by tracing costs to specific activities and life-cycle stages. Melnyk and Semaniuk (2021) argue such accounting must move beyond compliance into routine pricing and investment decisions.

Rationale for Convergence

Circular decisions rarely fail for lack of intent; they fail because the physical case (IE) and financial case (CMA) are developed in isolation, often by different departments using different data. An engineer may show a redesign cuts scrap, but without cost separation that gain stays invisible to investment decision-makers. An accountant may see waste costs rising but, without IE process data, cannot pinpoint the cause. Nishitani et al. (2022) describe a triadic relationship linking MFCA, environmental performance, and economic performance, each depending on consistent measurement. Converging IE and CMA closes this gap, letting circular strategies — disassembly-friendly redesign, recycled-input substitution, shortened material travel — be evaluated with the rigour normally reserved for conventional cost-reduction projects.

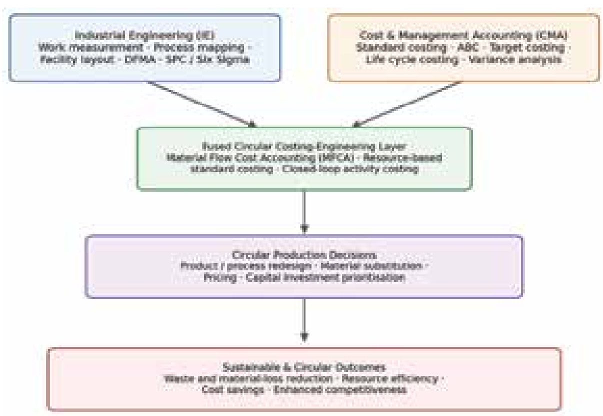


Figure 1. Conceptual framework for fusing Industrial Engineering and Cost & Management Accounting in sustainable and circular production.

Key Synergy Areas

Table 1 summarises the five synergy areas discussed below, mapping the IE tool that generates the physical/operational insight to the CMA tool that translates it into financial terms, and the circular production outcome each pairing supports.

Synergy Area	IE Tool(s)	CMA Tool(s)	Circular Production Outcome
Waste valuation	Process mapping, facility layout, material flow analysis	Material Flow Cost Accounting (MFCA)	Material losses costed and made visible for reduction
Resource-efficient standard costing	Work measurement, time studies, work sampling	Standard costing, variance analysis	Circular performance standards set and monitored

Synergy Area	IE Tool(s)	CMA Tool(s)	Circular Production Outcome
Design for circularity	DFMA, eco-design	Life cycle costing	Disassembly/remanufacturing value captured at design stage
Closed-loop process costing	Process mapping of reverse-logistics activities	Activity-based costing, target costing	Realistic costing of sorting, disassembly, remanufacturing
Operational excellence	Lean manufacturing, Six Sigma, SPC	Variance analysis	Waste and variability reduction prioritised by financial impact

1. Material Flow Cost Accounting and Waste Valuation

MFCA is the clearest fusion point. It needs a physical material-flow model — inputs, outputs, losses at each stage — which IE process mapping and facility layout analysis produce. CMA then attaches material, energy, system, and delivery costs to each flow, costing waste as rigorously as the finished product (Schmidt & Nakajima, 2013; International Organization for Standardization, 2011). Japanese manufacturer studies found MFCA associated with gains in both environmental and economic performance, supporting it as a genuine bridge rather than a trade-off (Nishitani et al., 2022). Zhou et al. (2017) extended MFCA for circular contexts to account for recovered materials re-entering production, depending on the closed-loop data IE flow analysis supplies.

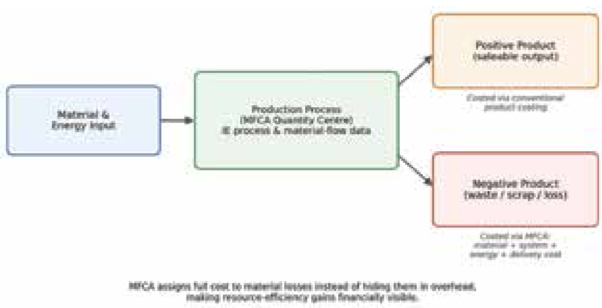


Figure 2. Simplified MFCA logic: production outputs are split into a positive (saleable) product and a negative product (waste), each carried at its full cost.

2. Work Measurement and Resource-Efficient Standard Costing

Work measurement — time studies, predetermined motion time systems, work sampling — standardises labour time but can equally standardise material and energy use per operation. Standard costs built on this data make variance analysis a circularity diagnostic: a material usage variance signals a resource-efficiency failure worth IE investigation. This lets organisations set circular performance standards — maximum scrap rates, target energy use — and monitor them with the discipline usually reserved for labour and material variances.

3. Life Cycle Costing and Design for Circularity

Circular decisions are made largely at the design stage, where material, fastener, and assembly choices determine whether a product can later be disassembled, repaired, or recycled. DFMA evaluates design choices for ease of production and disassembly; life cycle costing evaluates the same choices for total cost across acquisition, use, and end-of-life. Together they let a design team compare a conventional bonded assembly against a modular alternative in financial terms, capturing both the production-cost difference and value recoverable through remanufacturing — consistent with evidence that modular architectures, as in electric vehicles, cut cost and environmental impact by making disassembly economically viable (Frontiers in Sustainability, 2024).

4. Activity-Based Costing and Closed-Loop Process Mapping

Activity-based costing (ABC) traces overhead to the activities that consume resources rather than allocating it by volume. In a circular system this extends to sorting, disassembly, cleaning, and remanufacturing. IE process mapping sequences these activities; ABC costs them realistically, avoiding both understated reverse-logistics costs and overstated circular-strategy costs. Target costing complements this by setting a cost ceiling for a circular product at the design stage.

5. Lean, Six Sigma, and Environmental Cost Control

Lean manufacturing and Six Sigma reduce the waste and variability that generate the losses circular frameworks target. Ghaithan et al. (2023), studying Saudi manufacturers, found lean and Industry 4.0 technologies positively mediate the link between circular economy adoption and sustainability performance — operational excellence amplifies rather than substitutes for circular strategies. CMA variance analysis, applied to these cost categories, supplies the evidence to prioritise redesign and demonstrate return on circular investment.

Illustrative Applications Across Sectors

This synergy appears across sectors. In discrete manufacturing, modular design with life cycle costing lets component reuse be evaluated on the same footing as new production, notably in disassembly-friendly electric vehicles (Frontiers in Sustainability, 2024). In process industries, MFCA — developed in Germany, adopted widely in Japan — has costed material losses previously treated as unavoidable overhead, with documented gains in efficiency and profitability (Guenther et al., 2015; Nishitani et al., 2022). Firms combining engineering-led redesign with financial evaluation convert circular principles into practice more successfully than those pursuing either track alone (Ghaithan et al., 2023).

Challenges and Considerations

Fusing IE and CMA faces several barriers. Data infrastructure: MFCA and ABC need granular flow data many organisations lack, especially where legacy systems assume volume-based costing (Christ & Burritt, 2015). Organisational silos: IE and CMA report separately with little shared vocabulary. Valuation difficulty: benefits like reduced supply risk resist monetary valuation, biasing appraisal against circular alternatives. Short-term cost pressure: circular redesign needs upfront investment whose payback often exceeds conventional budgeting horizons. Overcoming these requires better tools and cross-functional collaboration between engineering and finance.

Table 2 summarises these barriers alongside practical mitigation approaches drawn from the literature.

Barrier	Description	Mitigation Approach
Data infrastructure	Granular material/ energy flow data required by MFCA and ABC is often not captured by legacy systems	Pilot MFCA on a single line; invest incrementally in metering and ERP integration
Organisational silos	IE and CMA functions report separately with limited shared vocabulary	Cross-functional project teams; joint accountability for circularity KPIs
Valuation difficulty	Benefits such as reduced supply risk resist conventional monetary valuation	Supplement costing with qualitative/ strategic criteria in investment appraisal
Short-term cost pressure	Circular redesign requires upfront investment with longer payback horizons	Extend capital budgeting horizons; phase investment around highest-value processes first

Future Research Directions

Comparative studies could clarify which IE-CMA tool combinations yield the largest circular-performance gains, and under what conditions. Longitudinal research is needed on whether MFCA produces durable gains or only short-term ones that fade once low-cost opportunities are exhausted. There is scope for standardised metrics combining physical circularity indicators with financial measures for benchmarking. As sensors, digital twins, and ERP systems make real-time flow data more accessible, research on how these lower the data-infrastructure barrier would have direct practical value.

Conclusion

Sustainable and circular production cannot be achieved by engineering redesign or financial reporting alone. IE supplies methods to reduce waste and generate flow data; CMA translates that data into information guiding pricing, investment, and design. Their fusion — through MFCA, life cycle costing, ABC, and resource-oriented work measurement — converts circularity from an aspiration into a measurable, cost-justified strategy. Realising this at scale requires shared data infrastructure, closer engineering-finance collaboration, and valuation approaches capturing the full economic case. Where these conditions are met, circular strategies can deliver environmental and financial gains simultaneously, not as a trade-off. MA

References

1. *Christ, K. L., & Burritt, R. L. (2015). Material flow cost accounting: A review and agenda for future research. Journal of Cleaner Production, 108, 1378–1389. https://doi.org/10.1016/j.jclepro.2014.09.005*
2. *Discover Engineering. (n.d.). Industrial engineering in circular economy. Retrieved July 13, 2026, from https://www.discoverengineering.org/industrial-engineering-in-circular-economy/*
3. *Ellen MacArthur Foundation. (2015). Growth within: A circular economy vision for a competitive Europe. Ellen MacArthur Foundation.*
4. *Frontiers in Sustainability. (2024). Circular economy in sustainable supply chain management: Practices and strategies in the manufacturing industry [Research topic]. Frontiers. https://www.frontiersin.org/research-topics/57640/*
5. *Ghaithan, A. M., Alshammakhi, Y., Mohammed, A., & Mazher, K. M. (2023). Integrated impact of circular economy, industry 4.0, and lean manufacturing on sustainability performance of manufacturing firms. International Journal of Environmental Research and Public Health, 20(6), 5119. https://doi.org/10.3390/ijerph20065119*
6. *Guenther, E., Jasch, C., Schmidt, M., Wagner, B., & Ilg, P. (2015). Material flow cost accounting — Looking back and ahead. Journal of Cleaner Production, 108, 1249–1254. https://doi.org/10.1016/j.jclepro.2015.10.018*
7. *International Organization for Standardization. (2011). Environmental management — Material flow cost accounting — General framework (ISO 14051:2011).*
8. *Melnyk, N. H., & Semaniuk, V. Z. (2021). Accounting in the context of sustainable development and circular economy. Business Inform, 9, 183–188.*
9. *Nishitani, K., Kokubu, K., Wu, Q., Kitada, H., Guenther, E., & Guenther, T. (2022). Material flow cost accounting (MFCA) for the circular economy: An empirical study of the triadic relationship between MFCA, environmental performance, and the economic performance of Japanese companies. Journal of Environmental Management, 303, 114219. https://doi.org/10.1016/j.jenvman.2021.114219*
10. *Schmidt, M., & Nakajima, M. (2013). Material flow cost accounting as an approach to improve resource efficiency in manufacturing companies. Resources, 2(3), 358–369. https://doi.org/10.3390/resources2030358*
11. *Zhou, Z., Zhao, W., Chen, X., & Zeng, H. (2017). MFCA extension from a circular economy perspective: Model modifications and case study. Journal of Cleaner Production, 149, 110–125. https://doi.org/10.1016/j.jclepro.2017.02.049*

Congratulations!!!

CMA Delzad Dinyar Tanaz Jivaasha

Heartiest congratulations to CMA Delzad Dinyar Tanaz Jivaasha on being bestowed the prestigious honour of Governance & Ethics Leader of the Year at the 2nd Edition Fraud & Credit Risk Management Summit & Awards 2026 organized by Krypton Group. The awards recognize the leadership, best practices implementation and noteworthy path breaking innovation by individuals. CMA Delzad Dinyar Tanaz Jivaasha's leadership, initiatives, innovations and consistent efforts to cement the importance and build a robust culture of Governance, Sustainability, Compliance, Risk Management and ESG has been appreciated with him being recognized as a leader.

We wish CMA Delzad Dinyar Tanaz Jivaasha the very best for all his future endeavours.

INDUSTRY 5.0: REDEFINING STRATEGIC COST MANAGEMENT FOR SUSTAINABLE VALUE CREATION

Abstract

This research explores how circular manufacturing and strategic management accounting can work hand in hand to support Industry 5.0 and India's vision of Viksit Bharat 2047. It explains how accounting tools such as Material Flow Cost Accounting (MFCA), Life Cycle Assessment (LCA), and Environmental, Social and Governance (ESG) performance measures can help organizations reduce waste, use resources more efficiently, and create long-term value. The study also explores at the current progress of Indian industries, the opportunities and the challenges of adopting circular production practices. Finally, it shows that management accountants have an important role in helping businesses become more sustainable, resilient, and future-ready.

Sharanya A S
Independent Researcher
Chennai
sharanya.a.s.11f@gmail.com

CMA Pragati S
Finance Manager
Daimler India Commercial Vehicles, Chennai
pragatisubramanian@gmail.com

The Changing Industrial Landscape

The circular approach is slowly replacing traditional "take-make-dispose" model of production. Today, businesses are expected to use resources wisely, reduce waste, and lower their impact on the environment. Also, digital technologies are helping companies improve sustainability and make better use of available resources. To support this, management accounting provides useful tools such as Life Cycle Costing (LCC) and Material Flow Cost Accounting (MFCA). These tools help organizations understand costs, identify material wastes and losses, and make better decisions.

Table 1. Comparison between Linear economy and Circular economy

Aspect	Linear Economy	Circular Economy
Resource Use	Extract, use and dispose of resources.	Reduce, reuse, repair and recycle (4R's) resources.
Cost Focus	Focus on production cost.	Focus on life-cycle value and long-term savings.
Waste	Waste is discarded after use.	Waste is reused as a resource for new production.
Product Life	Short product life.	Longer product life through repair and reuse.

Environmental Impact	Higher pollution and resource depletion.	Lower pollution and better resource conservation.
Business Goal	Maximize production and sales.	Create sustainable value with efficient resource use.
Supply Chain	Depends on new raw materials.	Uses recycled and recovered materials wherever possible.
Management Accounting	Emphasis on cost control.	Emphasis on resource efficiency, sustainability, and value creation.

Current Research and Perspectives

Recent studies show that the circular economy is not only an environmental initiative but also a smart business strategy. It helps organizations deal with resource shortages, rising costs, and climate-related challenges. Researchers have identified tools such as Material Flow Cost Accounting (MFCA) and ESG reporting as important methods for measuring and improving circular performance. At the same time, Industry 5.0 promotes the use of technology in a way that supports people, protects the environment, and encourages sustainable manufacturing.

1. Industry 5.0 and Circular Economy – Combined benefits

Industry 5.0 is different from earlier industrial models because it focuses on collaboration between people and smart technologies. As a result, businesses can not only achieve efficiency but also can work towards more sustainable and circular production systems. As we all know that, in synergy 1+1 is not equal to 2 but "11".

Industry 5.0 places people at the heart of manufacturing. Instead of relying only on automation, it encourages human creativity and innovation to solve environmental and operational challenges. This approach helps industries reduce their environmental impact while creating safer, more sustainable, and socially responsible workplaces (Lei et al., 2024).

2. The Role of Technology in Circular Production

Artificial Intelligence (AI) is helping industries make better use of resources and improve sustainability. It can identify material waste, optimize production processes, and support better decision-making. Studies show that AI-based Industry 5.0 systems can improve resource efficiency by up to 30%, helping companies reduce waste and lower carbon emissions (Waqas & Naseem, 2025). This makes AI an important technology for supporting circular production.

Another important technology is the **Digital Twin**, which creates a virtual model of a real production system. It allows companies to monitor operations in real time, predict problems, and manage resources more effectively. Models such as the '**Sustainable Digital Twin Maturity Path'** help organizations adopt digital technologies while supporting circular economy principles. By using technologies such as the Internet of Things (IoT) and edge computing, businesses can improve productivity and make production more sustainable (Sajadieh & Noh, 2025).

Blockchain technology helps companies track the movement of materials throughout the supply chain. This improves transparency, builds trust among suppliers and customers, and supports circular production practices. At the same time, as industries utilise digital technologies, strong cybersecurity measures are necessary to protect important business and production data.

3. Circular Economy Principles in Industry 5.0

Industry 5.0 combines economic growth with environmental protection and social well-being. It encourages businesses to use resources responsibly while building production systems that are flexible, sustainable, and able to adapt to changing conditions.

An important feature of Industry 5.0 is the integration of circular economy principles into every stage of a product's life cycle. Companies are encouraged to design products that last longer, can be repaired, reused, and recycled. Practices such as eco-design and material recovery help reduce waste, conserve natural resources, and support sustainable production (Shafique et al., 2024).

4. Sectoral and Urban Applications

The ideas of Industry 5.0 and the circular economy are not limited to manufacturing. They are also being used in urban planning and the development of smart cities. Startups and innovation centres are helping cities become more sustainable, resilient, and better prepared for future challenges (Berniak-Woźny et al., 2025).

These concepts are also changing the way buildings and cities are designed. Sustainable urban planning promotes energy-efficient buildings, better use of resources, and lower carbon emissions. By combining circular economy principles with smart technologies, cities can improve environmental performance while providing a better quality of life for their residents (Xie & Sun, 2025).

Strategic Management Accounting for the Circular Economy

To move from a linear economy to a circular economy, companies need to measure both money and environmental impact. Strategic Management Accounting (SMA) helps managers make better decisions by reducing waste, saving resources, and improving business performance.

1. The Strategic Circular Value Accounting (SCVA) Model

Figure 1 shows the core components of the SCVA process.

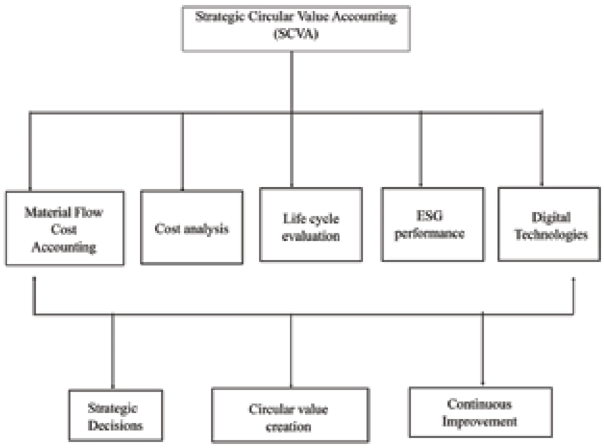


Figure 1. Strategic Circular Value Accounting (SCVA) Framework

The SCVA framework brings together key accounting and sustainability practices to support circular production. It connects resource management, cost measurement, life-cycle evaluation, and ESG performance into a continuous improvement process. This helps organizations create long-term value while using resources more efficiently.

Table 2. Strategic Management Accounting Tools for Circular Production

Tool	What it does	Why is it used
Life Cycle Costing (LCC)	Calculates the total cost of a product from start to end of the life of the product.	Helps companies reduce costs over the product's life.
Material Flow Cost Accounting (MFCA)	Finds where materials are wasted during production.	Helps reduce waste and use resources better.
Carbon Accounting	Measures the carbon emissions of a company.	Helps reduce pollution and meet environmental goals.
ESG Reporting	Reports a company's environmental, social, and governance performance.	Helps companies be more transparent and responsible.

Challenges in Implementation

Although Industry 5.0 offers many benefits, adopting it can be challenging. Many organizations are slow to implement circular practices because they are unsure about the financial benefits or return on investment (ROI). In addition, global issues such as geopolitical conflicts can make it difficult for businesses to focus on sustainability goals. The increasing use of Artificial Intelligence (AI) also raises concerns about data privacy, security, and fairness, making ethical guidelines essential

The successful adoption of Industry 5.0 requires cooperation among different departments and stakeholders. Strong leadership, teamwork, and active participation from employees, suppliers, and customers are important for implementing circular production practices effectively.

There are many companies in India which have adopted this circular production models and have turned out to be successful. This proves that the model is practical and viable.

Assessing Impact in the Indian Industrial Sector

India's major industries have a great opportunity to reduce carbon emissions by adopting circular production practices. Sectors such as steel, cement, aluminium can save resources, lower emissions, and reduce operating costs.

Table 3. Key Performance Indicators (KPIs) for India's Industrial Decarbonisation

Source: Niti Aayog

Sector	Target Year	Target
Steel	2047	500 million tonnes crude steel production capacity
Cement	2070	Net Zero Roadmap adopted (sectoral decarbonisation pathway)
Aluminium	2070	Sectoral decarbonisation roadmap released
Overall	2070	Net Zero emissions
Overall	2030	45% reduction in emissions intensity from 2005 level
Overall	2030	50% cumulative installed electric power capacity from non-fossil fuel sources

1. Case Studies from Indian Industry

India's cement sector is already showing what's possible. Companies like UltraTech have successfully replaced over 20% of their raw materials with industrial by-products, with a goal to reach 50% by 2030 (Viswaprasad et al., 2025).

In the steel industry, Tata Steel has managed to cut water consumption by nearly a quarter through circular supply chain innovations. This sector could prevent 130 million tonnes of CO2 emissions by 2030 (Viswaprasad et al., 2025; Herrmann, 2025).

Similarly, Tata Motors has reduced vehicle production energy intensity by over 16% by following industrial symbiosis and circular frameworks (Viswaprasad et al., 2025; Lahane et al., 2023).

2. Strategic Pathways Forward

To strengthen circular production, organizations should use tools such as Material Flow Cost Accounting (MFCA), Life Cycle Costing (LCC), and ESG reporting in their daily operations. Also, investing in digital technologies and encouraging cooperation across departments can improve resource efficiency and support long-term sustainability.

Conclusion

Industry 5.0 and the circular economy can help industries to achieve the target as stated in the table 3 (KPI) successfully. By using smart technologies together with strategic management accounting, organizations can reduce waste, improve resource use, and create long-term value. These practices will support India's vision of **Viksit Bharat 2047**. JAI HIND! MA

References

1. *Berniak-Woźny, J., Sliż, P., & Siciński, J. (2025). Empowering smart cities through start-ups: A sustainability framework for incubator-city collaboration. Systems, 13(4), 0219.*
2. *Herrmann, P. (2025). Decarbonising India's Hard-to-Abate Sectors: The Role of Circular Economy Solutions. Repository.*
3. *Lahane, S., Kant, R., Shankar, R. and Patil, S.K. (2023). 'Circular supply chain implementation performance measurement framework'. Production Planning & Control.*
4. *NITI Aayog. (2026) Roadmap for Cement Sector Decarbonisation. New Delhi: Government of India.*
5. *Sajadieh, S. M. M., & Noh, S. D. (2025). A review of digital twin integration in circular manufacturing for sustainable industry transition. Sustainability, 17(16), 7316.*
6. *Shafique, M. N., Adeel, U., & Rashid, A. (2024). The synergy between Industry 5.0 and circular economy for sustainable performance in the Chinese manufacturing industry. Sustainability, 16(22), 9952.*
7. *Viswaprasad, R., Sunitha, K. and Parvataneni, N.S. (2025). 'Corporate Pathways to Sustainability through Resource Management in Indian Enterprises'. Indian Journal of Business, 2(4).*

Interview

CMA Bikram Ghosh

Director (Finance)
Western Coalfields Limited
Nagpur
df.wcl@coalindia.in

CMA Bikram Ghosh is Director (Finance), Western Coalfields Limited. since 27th March, 2024. Prior to joining WCL, he was General Manager (Finance), BCCL. He holds a Master Degree in Commerce (M.Com - Management) from University of Burdwan in the year 1992. He completed his professional Degree ICMA in the year 1992 and also an Associate Member of Institute of Cost Accountants of India. Shri Ghosh is a results-driven and strategic Finance Professional with a proven track record of leading financial operations, driving growth, over a period of 28 years. He has a vast knowledge and wide experience in Procurement, Contracts, Accounts, Taxation, Fund, Cost Management and payment technology. He is known for his strong leadership skills and ability to build high-performing finance teams. In addition to his professional achievements, he is actively involved in various community initiatives. Shri Ghosh was also entrusted with additional charge for the post of Director (Personnel) from 01.08.2024 to 27.01.2025. He has again assumed the additional charge of the post with effect from 11.05.2026.

Q1. How does the Strategic Cost Management expertise of a CMA directly influence capital allocation and cost optimization within a PSU like Western Coalfields Limited?

Ans. A CMA is trained to see the cost structure behind every rupee of revenue and expenditure, not just the final numbers that appear in the balance sheet. This training - in activity-based costing, marginal costing, and variance analysis - becomes the everyday lens through which we evaluate capital expenditure proposals at WCL. At WCL, this means every major capital allocation decision - whether it's a new HEMM fleet, a coal handling plant, or an OB removal contract - is subjected to rigorous cost-benefit scrutiny that goes beyond simple payback period calculations to factor in lifecycle costs, evacuation constraints, and strategic alignment with CIL's production targets. The CMA framework also instills a discipline of cost consciousness across the organisation, not just within the finance function, which is essential in a capital-intensive, low-margin business like coal mining.

Q2. With India pushing toward renewable energy integration and long-term decarbonisation targets, how is WCL's finance division structuring its long-term balance sheet to mitigate risks related to coal transition, land rehabilitation, and mine closure liabilities?

Ans. We recognise that coal will remain central to India's energy security for the foreseeable future, but the finance division cannot be complacent about transition risk. WCL has been progressively strengthening its mine closure provisioning in line with the Ministry of Coal's Mine Closure Plan guidelines, ensuring that escrow accounts for progressive and final closure are adequately funded rather than treated as a distant liability. On land rehabilitation, we are building multi-year provisioning models that anticipate the cost of biological and civil reclamation well ahead of actual mine exhaustion. Separately, our diversification into solar and other renewable initiatives is being structured so that the capital involved doesn't compete with core sustaining capex, but is ring-fenced and evaluated on its own return and strategic-value merits.

Q3. Considering fluctuating fuel supply agreements (FSAs), regulatory pricing pressures, and logistical overheads, what unique analytical frameworks do CMAs utilize to navigate cost-benefit analyses in the coal sector?

Ans. FSA-linked volumes and pricing formulas create a level of revenue variability that few other PSU sectors face. CMAs bring cost-volume-profit analysis and standard costing techniques to model different production and off-take scenarios, which helps us anticipate margin pressure well before it materialises. We also rely heavily on activity-based costing for logistics and evacuation - rail versus road versus MGR - since transportation is often as significant a cost lever as the mining cost itself. Target costing principles are increasingly being applied when evaluating capital investments in evacuation infrastructure, so that we work backward from an acceptable landed cost rather than simply absorbing overheads.

Q4. The Institute of Cost Accountants of India (ICMAI) places a strong emphasis on rigorous corporate governance and transparent cost auditing. How do these professional tenets shape your financial leadership and internal risk management frameworks at WCL?

Ans. ICMAI's emphasis on cost audit and governance has directly shaped how we structure internal controls at WCL. Cost audit isn't treated as a compliance formality; the observations that emerge from it feed back into our internal risk registers and are tracked to closure. We have also strengthened internal audit mechanisms so that governance isn't a periodic exercise but a continuous one. As a CMA, I see my role as ensuring that financial leadership at WCL upholds the same standards of transparency and accountability that the Institute expects of its members - this includes proactive disclosure to the Board and to CIL, and resisting any temptation to defer difficult provisioning decisions.

Q5. How is WCL funding its clean coal technologies-such as coal gasification, solar park development, and mine water utilization-and are you considering green financial instruments?

Ans. Our clean coal and allied green initiatives are currently funded through a mix of internal accruals and CIL's overarching capex allocation, with some projects structured through joint ventures and PPP models to bring in technical and financial partners. We are actively studying green financial instruments - including green bonds and sustainability-linked loans - as CIL and its subsidiaries build a track record on ESG disclosures that would make such instruments viable and cost-competitive. Mine water utilisation projects, in particular, have strong local buy-in and modest capital requirements, making them a good proving ground for structured financing models that we may scale to gasification and solar in due course.

Q6. The Management Accountant journal frequently explores cutting-edge topics such as AI-driven predictive analytics, advanced cost reduction models, and digital transformation in finance. How are these modern methodologies being adopted within WCL's financial architecture?

Ans. WCL has been steadily digitising its financial architecture - from ERP-based integration of finance with materials management and production data, to dashboards that give real-time visibility on cost centres. We are in the early stages of exploring predictive analytics for use cases like fuel and consumable consumption forecasting, contractor payment cycles, and receivables management. The ambition is to move from a largely retrospective MIS function to one that flags cost overruns and cash-flow stress points before they crystallise. This is a journey, and we're building capability within the finance team even as we bring in analytics tools, because the interpretation of the data still requires the judgment a trained cost and management accountant brings.

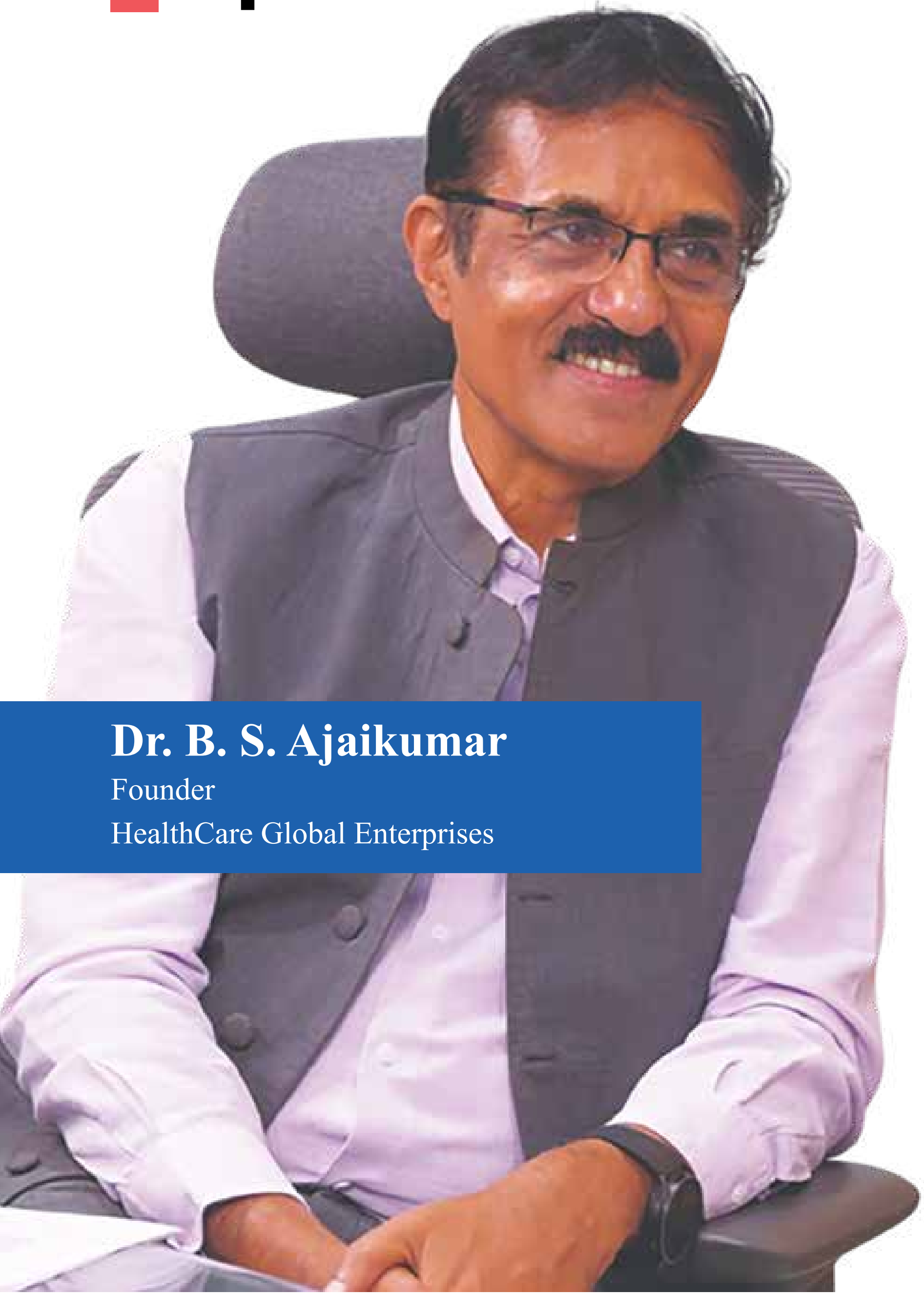
Q7. Your background bridges granular financial controller functions and broader executive decision-making. How do you leverage your financial expertise when steering non-financial operational areas such as safety compliance, procurement transparency, and local community resettlement?

Ans. Finance touches every operational decision, even ones that appear purely technical or social. In safety compliance, we ensure that safety capex - whether for mine ventilation, slope stability monitoring, or protective equipment - is never the first casualty of cost-cutting; it is ring-fenced in our budgeting process. In procurement, my financial background helps in designing transparent, e-tender-based systems with clear cost benchmarking, so that value for money and fairness go hand in hand. On resettlement and rehabilitation of project-affected persons, the finance function's role is to ensure that compensation and rehabilitation packages are budgeted realistically and disbursed without delay, since delayed R&R payments often become a source of community friction and project hold-ups.

Q8. Looking toward the next decade of India's industrial expansion, what key leadership traits and professional ethos do you expect from the upcoming generation of CMA professionals entering the corporate and public sectors?

Ans. The CMAs of the next decade will need to be as comfortable with data science and ESG frameworks as they are with traditional costing and audit. I would urge young professionals to build genuine cross-functional fluency - understanding operations, technology, and regulation, not just the numbers that result from them. Integrity and independence of judgment remain non-negotiable, particularly in the public sector, where financial decisions carry public accountability. Above all, I'd want them to see cost management not as a constraint-enforcing function, but as a value-creating one - one that enables organisations like WCL to invest confidently in the future while remaining financially disciplined in the present. MA

Prudent Cost Management is the Lifeblood of Healthcare operations



Dr. B. S. Ajaikumar
Founder
HealthCare Global Enterprises

Cost management is often reduced, both knowingly and unknowingly, to a euphemism for cutting corners. Nowhere is that erosion more consequential, even fatal at times, than in the critical sector of healthcare, where a cost decision is way more that what it implies in most other spheres, for it more often than not decides which patient gets treated, with which drug, on which machine, and how soon. Cut costs the wrong way in a factory and you get a defective product that can be recalled. Do that in a hospital and you get a missed diagnosis, a discontinued therapy, an equipment upgrade deferred once too often, patient outcomes gone awry, consequences that cannot be recalled and often involving life and death situations.

CMA Sudhir Y Raikar
Writer, Management Consultant & Thought Leadership Content Architect

Dr. B. S. Ajaikumar, founder of the global cancer hospital chain HealthCare Global Enterprises (HCG), and now its Non-executive Chairman, understood the criticality of prudent cost management in oncology, at a time when it was widely seen as the preserve of government and trust hospitals.

Following his MBBS from St John's Medical College, Bangalore, Dr. Ajaikumar completed residency training in Oncology from the University of Virginia Hospital in Charlottesville, and Fellowship in Radiation and Medical Oncology from the renowned MD Anderson Hospital in Houston, Texas. While building his practice in the US, he founded Bharath Hospital and Institute of Oncology, a Mysore-based not-for-profit hospital in 1989. In the subsequent year, he incepted Healthcare Global Enterprises Ltd, a hub-and-spoke institution headquartered in Bengaluru. He shifted his base back to India in the year 2003.

Today, HCG's hub-and-spoke "focused factory" model has grown into a pan-India, and pan-African, cancer care network, and has been duly documented in a widely cited Harvard Business School case study. The global chain is built on the unflinching conviction that cost consciousness and quality consciousness cannot be allowed to work against each other, that indiscriminately "low cost" care exacts its own hidden price in poor outcomes, and that the sounder route to affordability is not to cut corners, but to design a fool-proof system, from cost-effective real estate acquisition and need-based procurement to capital equipment and training of frontline staff, so that cost and value move in the same direction and never prove counter-productive.

In this tete-a-tete, **Dr. Ajaikumar** spoke at length with **CMA Sudhir Raikar** on his vision, mission, values, and modus operandi that seamlessly align high-end cancer care with affordability at scale, and also serves the larger cause of the community through social development initiatives.

What convinced you that a private, comprehensively oncology-focused model could work affordably vis-à-vis government and trust hospitals?

We incepted HCG in India amid the presence and proliferation of the multispeciality-driven model of healthcare that catered to oncology as one of the specialities. The challenge before HCG was about changing the landscape of oncology to make it more accessible, affordable, and affable pan India, in a work in progress of moving targets and progressively improving phases.

At the time, the thinking in the market was that since multi-speciality hospitals were more aligned with self-sustaining financial modelling, they would cater to oncology effectively within a larger umbrella, through primary diagnosis and referral patterns. But oncology had evolved into several sub-specialities that called for exclusive focus, both from a research and a practice perspective, and in India this exclusivity was not being followed by the private sector. The pressing needs of oncology were being addressed solely by government bodies. Given the sheer size of India's patient population, the challenge was how to meet the quality parameters that this intricate practice demands. That is what led HCG to set up a comprehensive oncology practice founded on value-based quality care, and to usher in a paradigm shift from multi-speciality hospitals to a tertiary-care, super-speciality, oncology-driven approach.

How does the hub-and-spoke structure reduce cost without compromising outcomes?

Hubs provide all three treatment specialties, medical, radiation, and surgical oncology, with advanced technology, while our Bangalore-based Centre of Excellence hub provides specialised services like robotic radiosurgery, molecular imaging, nuclear medicine, and sub-specialties in oncology. Spokes, on the other hand, are located in small cities and towns, typically serving as chemotherapy centres providing basic therapy and follow-ups. HCG also has mini-hubs in metros like Delhi and Ahmedabad, providing the whole range of services with the exception of premium diagnostics and therapy.

The hub contains the expensive radiation and surgical equipment often required during treatment. Community-based spokes provide patients easier access to less capital-intensive chemotherapy and rehabilitation services, referring patients to the hub only when needed. Pricing of hub services also varies by time of day, which drives round-the-clock utilisation of expensive capital equipment and reduces average costs. Financially able patients typically receive treatment during the day, and low-income patients receive treatment at night, and this does not add to costs, since HCG staff work regular eight-hour shifts rotating between day and night, and patient volume is naturally lower at night. Despite being a for-profit organisation, we set aside a fixed share of its profits to subsidise poorer patients, which is how low-cost, high-quality cancer care has disseminated so rapidly across India, and now in Uganda, Kenya, and Tanzania as well, again using low-cost, telemedicine-enabled models that leverage HCG's scale.

You've called the "cost of low-cost" a vicious trap…

In the context of healthcare, most conversations in India hover around the cost angle. The phrase 'low cost' has become popular by default both in the fraternity and community at large. To an large extent, the cost-over-value approach is a direct consequence of our economic realities. We are a country where majority of the populace belong to the low and middle income groups, and a significant number is economically challenged.

I deeply value the significance of cost-effective operations and the need to keep costs in check. That said, when the cost of a healthcare delivery is necessarily kept low as an overriding mandate, but the ensuing outcomes are not duly measured, I can't come to terms with the self-defeating nature of this mechanism, as the 'cost of low cost' impacts the quality of outcomes, which is a unpardonable price to pay in healthcare.

Today, almost any therapy in healthcare calls for constant clinical progression, adoption of latest technology, and recruitment and retention of the best of breed specialists, doctors, nurses, and support staff. Take the case of cancer. What was once known as a killer disease is today fast becoming a chronic disease, thanks only to the phenomenal transformation in the way we stage cancer, adopt a multi-disciplinary approach to cancer care, make use of genomics and molecular diagnostics, and strive to deliver the correct treatment from the outset. Needless to say, this advancement comes at a price tag.

We have to recruit and retain a talent pool of experts across different practice areas including surgical oncologists, medical oncologists, radiation oncologists, genomic experts, radiologists and the like. Technology is an integral part of the healthcare dynamic and it is a well known fact that best-of-breed technologies call for massive investments – whether robotic surgeries, laser therapies, use of AI and mixed reality devices for surgical augmentation and training, molecular targeted imaging, digital pathology, or radio genomics. On top of it, we have to continually invest in research and academics, as also big data analytics, to keep pace with the evolving paradigms of tomorrow as also to make the most of the research breakthroughs, some of which are game changers in their own right.

If one skips using the proper therapies and medications or grossly overlook the need to use cutting-edge technology in healthcare simply to maintain affordability, the outcomes will obviously be far from good. One can claim to provide affordable solutions for the sake of it, but to what avail? Of what use is the low cost if it makes the end users pay a heavy price in the ultimate analysis?

Prudent cost management is the lifeblood of healthcare operations. If the profit margins are consciously and consistently used for reinvestments, the cost of treatment comes down over time from the increased efficiencies and economies of scale.

Technology is expensive and at times even cost prohibitive, yet you have been an early adopter of high-end equipment like CyberKnife and PET-CT. How does one justify capital-intensive technology in a cost-sensitive market?

Any disruptive technology is ahead of its time, which is what makes it disruptive in the first place.

And for the disruptive technology to unleash itself towards the fulfilment of your goals, one needs to focus on its value, not its cost. If we get bogged down by the cost, we will never deliver value. This is especially true of healthcare, where the epicentre of all the action is a patient seeking the right treatment and quality of life. In the long run, value always triumphs over the cost.

My philosophy is that these investments come good in serving referrals or the needs of external users for a fee, notwithstanding the fact that the price tags may not be immediately justified by current patients alone. After we procured the CyberKnife, previously unavailable in India, radiation oncologists, neurosurgeons, urologists, and other external specialists were encouraged to use the technology alongside our own trained consultants. We put a strong emphasis on maximum use of its technology in this manner, all night if need be.

Having said that, technology is a golden enabler, not a silver bullet. Healthcare revolves around the patient, so unless technology serves the larger cause of the patient, it cannot serve its purpose, however disruptive it may be. The debacle of "Haven," the failed enterprise founded by Berkshire Hathaway, Amazon, and JP Morgan Chase to revolutionise healthcare, is a classic case in point. Healthcare is too niche a domain to be fathomed in toto by outsiders to the field, however tech-savvy they may be.

I am a firm believer of Intelligent Efficiency, a smart orchestration where the best of human minds make the most intelligent use of technology, aimed at enhancing outcomes, lowering costs, and improving resource management based on the risk and severity of the disease, from pre-admission to post-discharge.

As a founder, how did you manage the tight rope walk around the Equity vs Debt decision?

People are always taught in business schools that equity is more expensive than debt, because higher returns are expected from equity than from debt. I have always felt that equity money is more precious than my own money. In debt, there is no dilution, you repay your debt and keep your shareholding percentage. In equity, you can reverse the initial dilution by buying back the new investor's shareholding, and offer more returns through capital gains if the company performs well. I liked the equity route because there was no sword hanging over your neck every day, as there is with debt. A medical entrepreneur should not be burdened every month with debt servicing and repayment stress, because the primary role of a healthcare provider is to restore the health of patients and add years to their lives.

Oncology therapy is a drawn-out affair. It doesn't end in days, but takes months, if not years, of long treatment and follow-up. To provide top-quality medical care and make it accessible and affordable, it was crucial to establish comprehensive cancer care across the country, and that would only work if we could focus on our patients without being constantly worried about paying interest or repaying principal, which is the norm with debt funding. Debt servicing tends to eclipse entrepreneurial vision. So it was obvious that private equity was the best route for us, even with equity dilution, because the bigger purpose came ahead of the financial implications. A true entrepreneur should not worry about dilution of stake, as long as there is no dilution of vision.

The 'Suchirayu' turnaround is a striking example of rescuing a fellow venture in distress. Could you elaborate on your approach to 'value beyond the balance sheet'?

Suchirayu, a hospital in the north Karnataka city of Hubli, was built by a group of highly reputed doctors as a world-class centre, complete with amenities like a helipad. But their ambition got ahead of their purpose. They exhausted their personal funds, borrowed close to 120 crore rupees, and fell into a classic debt trap, with the monthly interest burden alone close to a crore. When they approached us in August 2017 for an operations and management contract, my own team literally wrote them off and warned me against taking on their woes. But these doctors had pledged their personal properties as collateral for the bank loans, and I felt that to let a genuine vision be wrecked for want of support would have been criminal in our ethical books.

Our director of projects came up with a revival plan. We brought the Suchirayu doctors, the private bank, and the principal lender together, negotiated down the dues, and restructured the funding without any significant debt coming onto HCG's own books, with HCG itself picking up a stake. The whole process took ten months. We paid the doctors what they were due, and all the top doctors returned to practice at Suchirayu, which today is in a healthier state than ever before. More than the financial recovery of Suchirayu, we were happy to help deserving doctors avert financial ruin. Value-based healthcare, in terms of optimal cost and increased accessibility, can only scale up in good time if doctorpreneurs in distress are bailed out by the wider value chain of healthcare providers.

You have advocated for a $150 billion annual investment for universal healthcare access. What is so broken today that makes a number that large imperative?

What purpose would a nation's economic progress serve if the majority of its citizens are deprived of quality medical treatment? The government has a vital role to play in bridging this rich-poor gap of healthcare. Given the scanty approvals granted under government schemes, whether Ayushman Bharat or ESIC, patients have to make do with "compromise" treatments in the name of care, which in the case of serious illness do more harm than good. Most patients get the impression that these schemes are ensuring the right treatment, but the reality on the ground is quite the opposite. The schemes work fine for patients who require minimal chemotherapy or radiation, but what about patients with advanced disease who need longer-term immunotherapy at a higher price tag, typically INR one lakh a month for twelve to eighteen months? Government schemes don't reimburse these top-tier, life-saving therapies.

The only way to counter this is to roll out a universal healthcare model through an autonomous body for reimbursing healthcare without ceilings and limits, with the government acting as a monitoring agency to evaluate approvals and outcomes. I have proposed a healthcare cess, scaled by income levels, which citizens could easily contribute via smartphones. This could generate approximately $140 billion, which, if managed effectively, could transform India's healthcare landscape. That is a feasible commitment in a $4 trillion economy, and the government also has the option of creating a fund that invests this money like a private equity firm and uses the market returns to fund the country's healthcare needs.

There's a common assumption that not-for-profit hospitals serve patients better than for-profit ones. How does one decode this popular perception?

Not-for-profit trustees don't take personal remuneration, and the premise of making them tax free rests on the logic that profits get ploughed back rather than distributed as dividends. Even so, not-for-profit hospitals raise money mainly through grants, donations, and bank loans, none of which arrive consistently, and bank loans often prove exorbitant. Since the tax laws governing donations are ambiguous, donations aren't guaranteed either. On the expense side, not-for-profit entities need the same real estate, infrastructure, doctors, nurses, and equipment as private hospitals do, and many not-for-profit and medical college-run hospitals charge patients almost at par with what private hospitals charge. That dependence on grants and donations puts a natural limit on how much a not-for-profit hospital can grow in clinical excellence, technology, and network expansion.

For-profit hospitals, by contrast, can raise funds from private equity, high-net-worth individuals, and angel investors, all of whom expect a return and keep the organisation committed to fiscal responsibility and a growth-centric approach.

The benefits of this financially-powered agile system are pivotal. While the system ensures unflinching fiscal responsibility and proper accounting of revenue and expenditure, it also adopts a growth-oriented approach to healthcare through efficiencies of scale. More importantly, it helps doctors meet their aspirations of ushering in emerging technology, gain specialization and depth of knowledge in key areas of research and development, and thereby move up the ladder of medical science and service. The greatest beneficiary of this set up is of course the patients who get the best, high-quality treatment at the right time.

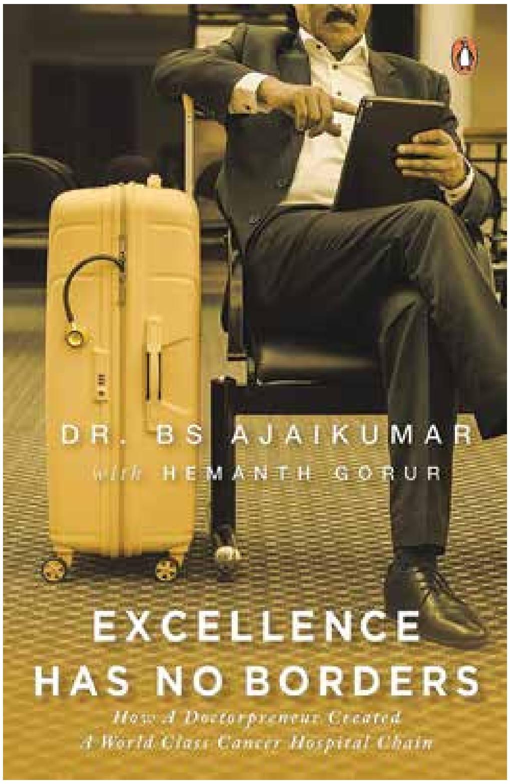
The focal point is not the money charged for the quality treatment, but the manner in which the resultant revenues are built and deployed. For instance, if a healthcare organization abstains from giving dividends and ploughs the money back into the system, for a variety of key purposes – including service expansion into tier 2 and 3 cities and towns, infrastructure development, as also top-notch talent acquisition and state-of-the-art technology adoption - it is definitively making productive and ethical use of the revenues. It is in fact serving the broader mission of healthcare way better than a setup offering 'low cost' services but sacrificing the quality, reliability, and sustainability of outcomes in the process.

As for serving poor and needy patients, private hospitals can always create not-for-profit foundations guaranteeing subsidized treatments. This way, we can ensure no patient is denied treatment, and healthcare is made accessible, affordable, and humane in the same breath. Again, rolling out such a social development initiative and ensuring its long term sustainability, any hospital would need massive funds and how does it raise them? Obviously through the market rates of quality treatments of the populace that can easily afford to pay for such services.

You've called early detection "a veritable game changer." What is the cost case for shifting resources toward prevention and screening rather than advanced-stage treatment?

About 80 per cent of cancers in low- and middle-income countries are detected at an advanced stage. Most patients don't present themselves at hospitals during stages one and two; they are invariably referred at stages three and four. A simple intervention of shifting the curve to the left, catching cancer earlier, can be a bigger game changer for patient outcomes than pouring resources into therapy innovation for advanced, life-threatening cases. Early diagnosis is focused on minimising the cost and time of treatment while maximising survival rates, and delayed diagnosis, as we saw acutely during the pandemic when cancer patients were relegated to the background, increases the overall cost of treatment and reduces survival spans.

Millions of dollars are being invested into molecular research aimed at treatment breakthroughs, but a simple intervention like examining the mouth for abnormalities in oral cancer is often more prudent than focusing all our energies on complex therapeutic drugs. Given that most of India's population lives outside tier one cities, and the doctor-patient ratio is heavily skewed towards urban areas, we need a brownfield approach that helps distressed hospitals in tier two and tier three cities upgrade their facilities, alongside a rationalised tax structure on life-saving drugs and emergency treatments, and nationwide CSR programmes that put prevention versus treatment in perspective for India's youth.



Your book "Excellence has no borders" unfolds several aspects of your persona: oncologist, philanthropist, dancer, tennis enthusiast, swimmer, backpacker, mountaineer, marathon-runner, and travel freak…

The book narrates my offbeat journey to set up a thriving cancer care chain against all odds, spanning my student days, emigration to US, residency training, fellowship, and practice, and finally, the homecoming to set up cancer care centres in India. This is a no-holds-barred account where I lay open familial, professional, and social trials and triumphs. It is my earnest hope that my story helps aspirants among the GenZ and Gen Alpha chart their trajectories across diverse verticals and spheres – and not just healthcare.

You describe yourself as a contrarian leader. Could you share a key decision where going against the grain turned out to be the right call?

Being a contrarian is not about being difficult, it is about refusing to accept a consensus you know is wrong. When I brought the Linac machine into India, almost everyone around me, including fellow oncologists, argued for sticking with Cobalt. I negotiated a loan with Siemens at a fraction of the prevailing market rate and pushed ahead anyway, because I believed the technology was right for our patients. Years later, when I decided to take HCG public, I was told single-speciality hospitals do not do well on the bourses, that the market only rewards multi-speciality stories. I went ahead regardless, because I trusted the market would eventually recognise HCG's intrinsic worth, and it did. The lesson I keep relearning is that a leader who waits for consensus before acting has already given up his or her edge.

Your social development organization IHDUA grew out of a school you started in a village called Mullur, which itself grew out of health camps. How did one lead to the other?

Our International Human Development and Upliftment Academy (IHDUA) is not about any strategy, it is only about patterns I can't ignore. We were running health camps across rural Karnataka, and camp after camp, the conversation with villagers would drift away from medicine and toward their children's schooling, or the lack of it. People weren't just asking us to treat their fevers, they were asking us to help them build a future they had no other route to. That's what led to Vinayaka Gyanashaala in Mullur back in 1994, a school that went on to post nearly a hundred per cent pass rates and send out scientists and software engineers from a village most people couldn't place on a map. Once you see that healthcare, education, and economic condition are three legs of the same stool, you can't unsee it. IHDUA, and everything from the Model Village Project in Chikkhundi to the skill development institute at Gundlupet, is really just that realisation scaled up: don't treat symptoms in isolation, treat the conditions that keep producing them.

It is such a tragedy that although women comprise more than 50 percent of the country's population, but their representation in leadership roles including the political arena is extremely constricted. Our leadership training program will facilitate their inclusion in the mainstream of leadership action and positions. Being more accountable and more diligent, women leaders can transform the political arena and hence more women need to contest elections.

How should a CMA sitting in a hospital's finance team go about his job?

A CMA in a hospital shouldn't be measuring cost per bed or cost per procedure in isolation; they should be tracking cost per outcome: did the patient get cured, and at what true cost, including the cost of a recurrence we could have prevented by not cutting a corner. That's a harder number to compute than a standard cost variance, but it's the only one that keeps you honest. My advice to any cost professional entering the healthcare space: benchmark relentlessly, run your value-chain analysis, chase every efficiency, but build one non-negotiable rule into the model, that no efficiency is allowed to touch clinical prudence. Once you separate "where can we be lean" from "where we cannot ever be lean," heathcare cost management becomes what it should be: the reason more people can afford it at all.

Last but not the least, any message for students and young members of our institute?

I would like to make an earnest appeal. I urge them to delve deep into financial management, cost-benefit analysis and number-crunching, but only in service of something larger. Cost consciousness should be a lifelong discipline, not because saving money is the goal in itself, but because every rupee saved responsibly can be reinvested into a better outcome for the community at large. Too many young professionals chase the low hanging fruit: the quick certification, the easy assignment, the fastest route to a comfortable salary. That is a race of poor longevity. A career driven by a larger purpose, one that keeps asking what problem you are actually solving and for whom, takes longer to pay off, but it eventually pays off in enduring ways, both in employment and entrepreneurship, and across every sector and sphere. MA

EVOLVING LANDSCAPE OF SUPPLY CHAIN FINANCING IN INDIA: AN OPPORTUNITY FOR MSME FIRMS

Dr. Duke Ghosh
Researcher
Global Change Research
Kolkata
duke.ghosh@globalchangeresearch.in

Dr. Anupa Ghosh
Associate Professor
Department of Economics
The Bhawanipur Education Society College, Kolkata
anupa.ghosh@thebges.edu.in

Abstract

In India, MSMEs are regarded as engines of growth and employment. But they are plagued by a set of constraints, availability of finance is one of them. This brief article explores the evolving landscape of supply chain finance and discusses its potential for removing the financial challenges of MSMEs, particularly, in respect to working capital. The article describes the different phases of supply chain financing, gains from evolving products and finally puts suggests scope for further studies.

Introduction

Across the world, the Micro, Small & Medium Enterprises (MSMEs) are known for their potential to contribute to GDP, generate employment and help in broad basing economic development. The incremental employment comes with a low investment in capital. This fact has a lot of relevance for those economies that are characterized by surplus labour, paucity of capital and problems associated with unemployment (Patel, Sharma, & Gupta, 2020). Past research also indicates that MSME firms add to the flexibility of the industrial structure, promote economic dynamism, and can become seats of innovation (Acs & Audretsch, 1990).

The Government of India (GOI) recognizes MSMEs as the "backbone of the Indian economy" (GOI, 2026). Highlights of the MSME space in India is presented in Table 1. It is evident that the Indian MSMEs considerably to the economy. Despite their importance, these firms continue to operate under multiple constraints, access to finance being one of them (Rao, Kumar, & Madhavan, 2019). Weaker bargaining power vis-à-vis large customers results in delays in realizing receivables. The resultant pressure on cashflow compels MSME firms to hold on to thin inventories and hence to miss out on opportunities for incremental business. Chronic working capital shortages pose an existential threat for these firms (Athaide & Pradhan, 2020).[1]

MSMEs in India generally miss out on harnessing the power of leverage as access to debt capital is often scarce. Information opacity surrounding these firms give rise to the problems of adverse selection and moral hazard. Hence, institutional lenders perceive MSMEs to be 'too risky to lend'. Therefore, the price of debt is high. Further, to mitigate the credit risk faced by the institutional lenders resort to security-based lending. Consequently, institutional debt is collateral-heavy.

Table 1 MSME Data for India

Number of MSME enterprises	7.47 crores
Employment generation	32.82 crores persons
Share in country's manufacturing	35.4%
Share in country's GDP	31.1%
Share in country's exports	48.58%
Source: (GOI, 2026)	

This short article explores how the emerging developments in supply chain financing (SCF) in India is trying to ease the pressure on working capital constraints of Indian MSME firms. The scope of the discussion is limited to domestic business only. Further, this article does not intend to expound on SCF solutions. Also, the article does not propose to focus on legal, actuarial, technical and governance issues impacting SCF.

[1] The operating cycle of many small firms can often become too high, primarily because of long debtors' cycle. The first strategy to overcome this problem is finding ways to increase the payables cycle. But this strategy leads to a shock in the backward channel of MSME firms leading to discontent among its suppliers. There is often an attempt to ease the pressure on working capital by using internal sources of funds as institutional debt is often scarce. However, for small firms, paucity of equity is also a chronic issue (Athaide & Pradhan, 2020).

SCF: What it signifies?

SCF encompasses a set of structured short-term financing solutions, provided by financial intermediaries with an eye on easing the pressure on working capital.[2] The goal is to align cashflows with the physical flow of goods and services and restore optimality in operations of firms. A generic SCF arrangement has three core participants (Figure 1). Some customized SCF arrangements may have more participants according to the need. The three core participants are:

a. Anchors: Buyers/sellers who are essentially large and reputed companies, with an acceptable credit history.

b. Counterparties: Sellers/buyers who are smaller entities (the MSME firms)

c. Financiers: Banks and non-banking financial companies (NBFCs)

SCF is typically an anchor-centric arrangement. The financier either finances the inventories that an MSME purchases from the anchor or finances receivables of a MSME counterparty for the supplies it has made to an anchor. Financing decisions are taken based on the credit history, credit rating and reputation of the anchors and not of the smaller counterparties (MSME firms). Thus, the problems associated with the information opacity of MSMEs are eliminated. And financial support flows to these small firms. In certain cases, it is the anchor that helps the financial intermediaries cherry-pick the counterparties. The arrangements are light on collateral requirement and focuses largely on transactional information like invoices, purchase orders, good receipt notes, etc. These features of SCF solutions ease credit decision of the financiers and lowers the transaction cost of loans made by them. Together, the financier gets access to a set of diversified set of assets that reduces their credit risk. Hence, the risk-premium associated with SCF products are low, when compared with plain vanilla credit products like overdraft, cash credit, working capital demand loans, etc. SCF, therefore, represents a win-win situation for all the three core participants.

[2] Some variants of SCF (e.g. Forfaiting) do include long-term financing solutions. However, in this article, we concentrate on the short-term financing solutions.

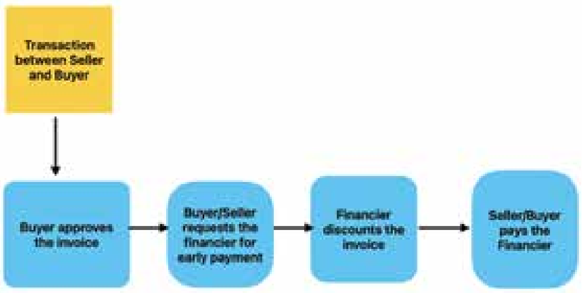


Figure 1 SCF: Schematic Diagram of SCF

Evolution of SCF in India

In the last few decades, the SCF mechanism in India has been continuously evolving. Banking sector reforms in the 1990s, deepening and adoption of information technology (e.g. enterprise resource planning, core banking solutions, etc.) and the emergence of NBFCs and FinTech companies have lent momentum to this evolutionary process. This section briefly outlines the trajectory of this evolution.

Early phase (pre- 1990s)

In the late 1980s and early 1990s, simple and traditional SCF solutions like bill discounting and inland letters of credit were prevalent. These were mostly offered by commercial banks. The arrangements were generally over-the-counter contracts between the banks and the MSME borrowers. Banks' credit decisions were largely discretionary - based on their assessment of the borrowers' business and financial health. The facilities often attracted high risk-premium and collateral requirements.

Intermediate Phase (1990 – 2010)

The intermediate phase was marked by the advent of channel financing and factoring services which complemented the solutions prevalent in the early phase. These new services offered structured solutions to cater to the business needs of anchors who were from different sectors of the economy.

The Kalyanasundaram Committee Report (1989) submitted to the Reserve Bank of India (RBI) laid the foundation of factoring services in the country (RBI, 2013). Only subsidiaries of scheduled commercial banks were allowed to provide these services.[3] Much later, with the passing of the Factoring Regulation Act, 2011, the services came to be guided by the directives of RBI. Further, the amendments to the Act in 2021 paved the way for both banks and NBFCs to provide factoring services.

Channel financing (both upstream and downstream) became popular in the 1990s. In its initial phase, the financiers were foreign banks operating in India and select Indian banks, mostly those from the private sector. Manufacturers in the iron and steel industries, automobiles, auto ancillaries, fast moving consumer goods, etc. quickly realized the gains from this solution. This financing arrangement reduced the friction between the large manufacturers and their vendors (and/or dealers) by easing the cashflow of the latter. After 2010-11, NBFCs also started providing channel financing services.

Current Phase (2011 – present)

Since 2011, the SCF landscape in India oversaw a significant paradigm shift when information technology made inroads into the space. The objective was to shorten receivables cycles through 'a multi-financier receivables financing platform' (RBI, 2013). This phase also marked the entry of the FinTech firms in SCF. It was expected that competition among financiers in this multi-financier setup would lower the cost of funds for MSMEs.

Figure 2 TReDS Statistics: July 2025-July 2026

The most recent development in the SCF landscape in India is Trade Receivables Discounting

[3] In 1991, SBI Factors and Commercials Limited (subsidiary of State Bank of India) and Canbank Factors (subsidiary of Canara Bank) were set up.

System (TReDS) in 2014. It is a system for securitization of receivables of MSME firms. In 2016, the Receivables Exchange of India Limited (RXIL) was set up as a digital platform where firms can auction their anchor-specific receivables. Many other platforms – KredX®, InvoiceMart®, etc. have since emerged. In each platform, invoices (factoring units) that are accepted by large buyers attract alternative discounting rates from several financiers participating in the platform. The best quote is selected by a small firm who registers on this platform. Once a contract between a firm (seller) and the financier is made, the settlement is made within 24-48 hours. In effect, TReDS represents a platform where financiers buy receivables of MSME firms through a competitive bidding process. The claims of the financiers are settled by payments received from the anchors. Since July 2025, the settlements have increased at a crate of 2.70% per month (Figure 2). On an average, about 95% of the factoring units uploaded have been financed by the financiers[4].Some researchers have found due to the adoption of TReDS, the interest cost of MSMEs has reduced (Sanati, Ramakrishnan, & Kakarlapudi, 2026). This has led to improved financial performance of these firms (Marak & Pillai, 2026). To this extent TReDS has largely achieved its objective of removing financial challenges facing small firms in India.

Closing thoughts

Over the last three and half decades, the SCF landscape in India has transformed – from being isolated products offered by banks to an integrated system where multitude of financial intermediaries offer a plethora of structured solutions. The transactional nature of the SCF products has lowered the cost of monitoring for financiers. This has addressed of the crucial issue of removing barriers to MSME financing. However, given the largeness of the MSME space in India, it needs to be ascertained as to what percentage of the MSME firms have been able to take advantage of SCF. We may assume that smaller firms are generally unaware of the SCF solutions and has been left out. Further, the system is gradually becoming heavy in technology adoption. Consequently, it is imperative for MSMEs to overcome its inherent technological barriers. These issues may be taken up for future research and consequent rethinking and reengineering of the SCF solutions. MA

[4] There may have been cases where the factoring unit is uploaded in a particular month, but settlement has taken place in the subsequent month(s). From the data available it is difficult to identify such cases and make necessary adjustments.

Bibliography

1. *Patel, S., Sharma, R., & Gupta, A. (2020). Financing Challenges and Opportunities for Small and medium Enterprises in Emerging economies. Journal of Development Economics, 14, 45-62.*
2. *Acs, Z., & Audretsch, D. (1990). Innovation & Small Firms. MIT Press.*
3. *GOI. (2026). Economic Survey 2025-26. New delhi: Ministry of Finance, Government of India.*
4. *Rao, P., Kumar, S., & Madhavan, V. (2019). A study on factors driving the capital structure decisions of small and medium enterprises (SMEs) in India. IIMB Management Review, 31(1), 37-50.*
5. *Athaide, M., & Pradhan, H. (2020). A model of credit constraint for MSMEs in India. Journal of Small Business Economics, 55, 1159-1177.*
6. *RBI. (2013). Welcome to India: State of the Indian economy, banking sector and factoring services (Opening Address by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at International Factors Group's Annual Conference on October 7, 2013 in New Delhi). Retrieved from Reserve Bank of India: https://www.rbi.org.in/scripts/BS_SpeechesView.aspx?Id=846*
7. *RBI. (2026). Entity-wise TReDS statistics. Retrieved from Reserve Bank of India: https://www.rbi.org.in/Scripts/TReDSStatisticsView.aspx*
8. *Sanati, G., Ramakrishnan, R., & Kakarlapudi, K. (2026). Determinants of Cost of Funds in TReDS: The Realm of MSME Finance. NIBM Working Paper Series (WP 61/2026).*
9. *Marak, Z., & Pillai, D. (2026). Determinants of Supply Chain Finance Adoption Among Small and Medium Enterprises in India: Mediating Role of Collaboration. Journal of the Knowledge Economy, 17, 193-230.*

MSME 2.0: THE 2026 AMENDMENT, ICMAI AND THE FUTURE ROLE OF CMAs

Abstract

The Micro, Small and Medium Enterprises Development (Amendment) Act, 2026 comes at a time when the character of the Indian MSME sector is itself changing. The business environment in which the original MSMED Act was enacted in 2006 was very different. Registration is now increasingly digital, electronic invoices are common, formal finance has expanded, the Trade Receivables Discounting System (TReDS) has emerged as a mechanism for unlocking receivables and a growing number of smaller enterprises are looking beyond traditional bank finance towards organised capital markets. The 2026 amendment responds to this changing environment through revisions relating to classification, registration, payment of MSME invoices, dispute resolution, recovery, reporting and penalties. This paper looks at these changes not merely as amendments to a statute but from the larger perspective of MSME finance and enterprise management. Particular attention is given to delayed payments, working capital and financial discipline. The paper also examines the possible role of the Institute of Cost Accountants of India (ICMAI), its MSME & Start-up Promotion Board and Cost and Management Accountants in helping smaller enterprises convert legal reform into better business decisions. The central argument is that the law can create a more supportive environment, but stronger MSMEs will ultimately emerge only when enterprises understand their costs, manage liquidity better and become more financially prepared for growth.

CMA Manoj Kumar Anand
Vice President, ICMAI
vicepresident@icmai.in

CMA (Dr.) K Ch A V S N Murthy
Council Member & Chairman,
MSME & Start-up Promotion Board. ICMAI
a2zmurthy@gmail.com

Dr. Ranjith Krishnan
Associate Professor, Christ University, Delhi NCR
ranjithk.iyer@gmail.com

CMA Arunabha Saha
Practicing Cost Accountant, Thane
saha.arunabha@gmail.com

"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn." - **Alvin Toffler**

Introduction

The **Micro, Small and Medium Enterprises Development Act, 2006** was enacted in a business setting that now appears quite distant. GST had not arrived, Udyam registration did not exist, electronic invoicing was not part of ordinary commercial practice and TReDS had not yet entered the MSME financing landscape. Twenty years later, even a relatively small enterprise may supply to a listed company, transact almost completely through digital channels, access institutional credit and, after reaching a certain scale, consider an SME listing. The need to revisit the legislation was therefore not surprising. Parliament passed the Micro, Small and Medium Enterprises Development (Amendment) Bill, 2026 in August 2026 against precisely this background of technological change, IT-enabled systems and the changing business environment.

The **Micro, Small and Medium Enterprises Development (Amendment) Act, 2026** should, however, be understood as an updating of the earlier framework rather than as a completely new approach to MSME regulation. The 2006 legislation had already recognised the seriousness of delayed payments and had created an institutional mechanism for resolving disputes. What the new amendment does is to add a more visible digital and financial layer to that framework. Registration becomes easier and more technology-oriented, TReDS receives a statutory place in specified payment transactions, dispute settlement is expected to move within more defined timelines and the compliance structure becomes more administrative and graded. There is also an important legal qualification: enactment does not necessarily mean that every amended provision became operational immediately, since individual provisions may depend upon notified commencement. For an academic discussion, it is therefore better to treat 2026 as the beginning of a new regulatory phase rather than assume that the entire architecture became operational overnight.

From the MSMED Act, 2006 to the 2026 Amendment

A comparison with the earlier Act is necessary because it prevents us from presenting every protection in the new framework as something invented in 2026. The original MSMED law had already dealt with delayed payment to micro and small enterprises and had established the Micro and Small Enterprises Facilitation Council mechanism. Similarly, protection requiring a substantial pre-deposit when a buyer challenges an award was not wholly new to the 2026 framework. The more important contribution of the amendment is that it tries to make an existing system function in a very different commercial environment. For instance, the amendment modifies the classification framework by empowering the Central Government to classify enterprises using both investment and turnover and to notify the relevant thresholds. It also provides for a digital registration architecture and changes the manner in which several payment and dispute-related provisions operate.

This distinction is useful because MSME policy in India is gradually moving from merely identifying and protecting smaller businesses towards helping them formalise, finance themselves and eventually scale. The 2006 law gave MSMEs a statutory identity and important protections; the 2026 reform attempts to make that system more compatible with electronic commerce, digital finance and integrated supply chains. The Government itself has linked the amendment with formalisation, ease of doing business and the ability of MSMEs to scale. It would therefore be too narrow to read the amendment only as a list of altered sections. Its larger importance lies in the attempt to connect law, technology, finance and enterprise growth.

An infographic of the above paragraphs is given hereunder as a ready reckoner.

Source: Conceptualized by authors and designed using AI Tool

Classification, Registration and the Larger Question of Growth

MSME classification is usually discussed as though it is simply an eligibility question. For a growing enterprise, however, it is often a strategic one. A firm approaching a classification threshold may have to decide whether to install additional machinery, increase capacity or move into a new market. At that point the entrepreneur may initially worry about whether the business will move from one MSME category to another, but the more meaningful questions are financial. What additional turnover will the investment generate? What will happen to fixed cost? What level of capacity utilisation is required? Should the expansion be financed from internal accruals or debt? And, perhaps most importantly, will the investment earn an adequate return? The amended classification framework gives greater statutory recognition to investment as well as turnover, although it should be remembered that the combined criterion had already developed through earlier policy changes.

There is a policy issue here which deserves more attention. MSME incentives should help enterprises grow; they should not make entrepreneurs afraid of becoming larger. A successful micro enterprise should ideally become small, a sound small enterprise should move towards the medium category and a competitive medium enterprise should eventually be prepared to operate beyond the MSME framework. If an entrepreneur deliberately postpones expansion only to preserve a particular classification, the policy may have protected the enterprise but has not necessarily promoted its development. Registration raises a similar issue. Digital and voluntary registration is welcome, but registration should not be mistaken for financial formalisation. A business can have an Udyam registration number and still lack proper product costing, debtor ageing, inventory analysis or cash-flow forecasting. In many smaller businesses the promoter knows the bank balance every morning but may have little idea of what the cash position will look like after three months. Financial formalisation therefore has to go beyond a portal. It means gradually developing enough information to know which products make money, where cash is blocked and whether growth can be financed without putting excessive strain on the enterprise.

TReDS, Delayed Payments and the Working-Capital Problem

Among the changes associated with the 2026 framework, the enhanced role of **TReDS** is perhaps the one with the clearest financial significance. Delayed payment has remained one of the most persistent difficulties faced by smaller suppliers. Government data itself show the growing importance of the platform: the value of invoices discounted through TReDS increased sharply in the years preceding the amendment. The new framework seeks to bring settlement of specified public-sector MSME invoices more directly within the TReDS architecture, with scope for wider application through notification.

The attraction of TReDS becomes clearer when one distinguishes profit from cash. Suppose an MSME supplies goods worth ₹1 crore to a large buyer. The transaction may carry a reasonable margin and the revenue may already have been recognised, but wages, electricity bills, raw-material suppliers, GST liabilities and bank interest do not wait merely because the customer has not released payment. The enterprise may therefore appear profitable in its accounts and still face a serious liquidity shortage. This is not a theoretical problem; it is one of the reasons why working capital often becomes a more immediate concern for an MSME than reported profit.

TReDS can reduce this pressure by converting a receivable into a financing opportunity, but it should not be viewed as a magic solution. Discounting has a cost, and repeated discounting can itself become expensive. The entrepreneur needs to know whether the financing cost is lower than existing bank borrowing, whether certain customers consistently delay payments and whether that cost of delayed credit has been considered while fixing the selling price. A customer producing substantial turnover may look attractive until one calculates the cost of financing the receivable for several additional months. This is where management accounting becomes useful. Debtor ageing, customer-wise profitability, cash-conversion-cycle analysis and comparison of financing alternatives are all areas in which CMAs can contribute. The more useful question is not merely whether an invoice can be discounted, but whether the commercial relationship remains profitable after the cost of financing that invoice is recognised.

Dispute Resolution, Recovery and Financial Discipline

The amendment also attempts to bring greater speed to delayed-payment disputes by providing clearer timelines for mediation and arbitration and by encouraging digital processes. The broader purpose is understandable. A small enterprise should not have to wait years merely to establish that money which was contractually due should actually be paid. The economic cost of such delay can be substantial. If ₹25 lakh remains locked in a dispute, a micro enterprise may have to borrow more, postpone payments to its own suppliers or defer a planned investment. Even if the business ultimately succeeds in the dispute, the interest and opportunity cost incurred during the waiting period may already have weakened it.

This is why the dispute-related provisions should be viewed not merely as legal reforms but as measures affecting working capital. Faster resolution reduces uncertainty and may reduce the amount of business capital trapped in unresolved claims. Yet stronger legal rights cannot completely compensate for poor financial records. An enterprise that begins searching for purchase orders, invoices, delivery evidence and payment correspondence only after a dispute has arisen is already at a disadvantage. A reasonably organised accounting and documentation system can therefore act as a form of risk management. The expression "dispute-ready accounting" may sound unusual, but the idea is quite simple: the financial trail behind a commercial transaction should be clear enough that a claim can be established without reconstructing the entire business relationship months later.

This also shows the complementary role that professionals can play. Lawyers will continue to deal with the legal interpretation, mediation, arbitration and litigation issues. CMAs can contribute by reconciling financial claims, computing amounts and interest and organising the underlying transaction data. The point is not to blur professional boundaries, but to recognise that commercial disputes often involve both a legal story and a financial story, and the quality of the latter can influence how effectively the former is presented.

Institutional Strengthening and Ease of Doing Business

The amendment's renewed attention to the Micro and Small Enterprises Facilitation Council framework may not receive the same public attention as TReDS, but its success is equally important. Statutory timelines are meaningful only if institutions have enough capacity to meet them. It is relatively easy to write a 90-day objective into legislation; achieving it consistently across different States, case loads and administrative structures is considerably more difficult. Trained personnel, regular sittings, digital infrastructure and the quality of information supplied by the parties will eventually decide whether the reform works as intended.

The same applies to reporting. As more transactions move through electronic systems, larger organisations dealing with hundreds or thousands of MSME vendors will need to identify MSME suppliers correctly, monitor due dates and notice payment exceptions earlier. This may gradually move MSME payment compliance away from being a year-end accounting issue and closer to ordinary financial governance. For CMAs working within companies, supplier-payment dashboards, overdue analysis and exception reports can therefore have both compliance and managerial value.

The shift towards graded penalties and administrative adjudication also fits into the wider philosophy of ease of doing business. But easier compliance should not be read as weaker accountability. In many respects, digitalisation may make compliance more visible. A well-managed enterprise should therefore be able to identify an approaching default before it becomes an adjudication matter. The emphasis increasingly moves from curing problems after they occur to designing information systems that prevent avoidable problems in the first place.

The Emerging Professional Space for CMAs

The 2026 amendment does not create an

exclusive statutory role for Cost and Management Accountants, and it would be academically incorrect to suggest that it does. The opportunity for CMAs comes from the financial problems that MSMEs already face and from the fact that several of the reforms make those problems more visible. Costing is an obvious example. Many small entrepreneurs know the market price of their products extremely well but may be less certain about their complete cost. Raw material and direct wages are normally visible; idle capacity, overhead, wastage, financing cost and administrative expenses are often less carefully allocated. It is therefore possible for the product with the highest sales to be only a modest contributor to profit.

A CMA can introduce product costing, contribution analysis, budgets and performance information in a form that suits the scale of the enterprise. The intention should not be to impose the financial architecture of a large corporation on a small manufacturer. A short monthly statement showing margins, receivables, inventory, borrowing and cash may be far more useful than an elaborate report that the entrepreneur never reads. The same practical approach applies to working capital. TReDS is one financing route, but it cannot substitute for proper receivable management, inventory control or cash planning.

Access to finance creates another natural area of work. Entrepreneurs tend to explain a business through customers, orders, machinery and production, while banks look for projected cash flows, debt-service capacity, working-capital requirements and financial viability. A CMA can help translate the operational strength of the business into financial terms. Project appraisal, pricing, cost reduction, restructuring and performance measurement follow from the same logic. These are not new professional activities invented by the amendment; the new framework simply increases their relevance as MSMEs become more digitally connected and financially formal.

Role of the MSME & Start-up Promotion Board of ICMAI

The **MSME & Start-up Promotion Board of the Institute of Cost Accountants of India** gives the profession an existing institutional platform from which this engagement can be expanded. ICMAI currently maintains the Board as one of its specialised bodies, and its activities have included programmes dealing with MSME strategy, cost competitiveness, activity-based costing and financial discipline. Its publication *MSME TITBITS* also provides a continuing knowledge platform for the sector.

The more interesting question is how the Board can move from awareness to measurable enterprise impact. One possibility is a simple **MSME Financial Health Check,** focusing on a limited set of indicators such as product margins, receivable ageing, inventory, cash position, borrowing, debt servicing and capacity utilisation. It need not become another elaborate compliance certificate. The purpose should be diagnostic—to help the entrepreneur identify where financial weakness is developing before it becomes serious. The Board could similarly integrate TReDS awareness with pricing and working-capital management, because explaining how to access invoice discounting is only half the job; the entrepreneur also needs to understand whether the financing decision is commercially sensible.

ICMAI's **Corporate Mitra** initiative provides another existing route for such engagement. ICMAI continues to run the Corporate Mitra programme and has organised awareness initiatives around it. The opportunity is to connect these platforms more closely with enterprise-level financial management. The Board's performance need not be assessed only in terms of the number of seminars or webinars organised. A stronger test would be whether the enterprises that receive support begin to understand their costs better, shorten receivable cycles, become more creditworthy or make better expansion decisions. Such an approach would give the Board a developmental role rather than making it appear merely as a mechanism for professional promotion.

Start-ups, SME Listing and Sustainability

The start-up part of the Board's mandate also deserves some attention. Start-ups are usually discussed in the language of innovation, technology, valuation and funding, while cost often receives attention only when cash begins to run short. But every start-up eventually has to answer fairly basic questions: What does it cost to acquire a customer? What contribution does each transaction produce? How long will the available cash last? At what level of activity does the business break even? An enterprise can have a high valuation and still have poor unit economics. CMAs can bring a useful discipline to this area through cash-burn analysis, contribution, break-even assessment and cost behaviour without making an early-stage enterprise unnecessarily bureaucratic.

A similar transition occurs when an established MSME begins to scale or considers an SME IPO. An informal promoter-driven system may work comfortably when the business is small, but as turnover grows, responsibilities are delegated, lenders demand more information and outside investors may enter. Budgeting, internal control, profitability analysis and management reporting then become more important. CMAs can play a preparatory role in strengthening this internal financial architecture alongside merchant bankers, auditors, company secretaries, lawyers and other professionals involved in the listing process.

Sustainability is also gradually becoming an MSME issue, especially through larger supply chains. Smaller suppliers may increasingly be asked for data on energy, waste, emissions and sourcing practices. For an MSME, the easiest way to understand sustainability is often through cost. Lower electricity consumption reduces expenditure as well as environmental impact. Lower scrap improves material yield. Better inventory management releases working capital and can reduce waste. The CMA's ability to connect physical efficiency with financial outcomes can therefore make sustainability more practical for the smaller enterprise.

Will the 2026 Amendment Really Help MSMEs?

This is ultimately the question that matters. There are several reasons to expect a positive impact. TReDS can improve liquidity, more time-conscious dispute resolution can reduce the cost of waiting, stronger recovery mechanisms may improve the bargaining position of smaller suppliers and digitalisation can reduce some procedural friction. The Government has itself presented the reform as an effort to reduce payment constraints, improve dispute resolution and support MSME growth and formalisation. Yet legislation does not automatically produce outcomes.

TReDS will have limited effect if a buyer delays approval of the underlying invoice. A statutory dispute timeline may remain difficult to achieve if Facilitation Councils become overloaded. Strong recovery rights help only where the enterprise has maintained reliable records. Digital registration cannot correct an uneconomic selling price or a poorly managed cash cycle. In other words, the amendment can improve the external environment, but it cannot repair every weakness inside the business.

The real assessment of the reform should therefore go beyond counting registrations, cases filed or invoices routed through a platform. It would be more useful to examine whether average receivable days actually come down, whether small businesses are relying less on expensive emergency borrowing, whether payment disputes are resolved more quickly in practice and whether enterprises find it easier to move towards formal finance and growth.

Professional affordability is another issue that should not be ignored. The smallest enterprises may need financial advice the most but may be least able to engage consultants individually. Cluster-based models could provide an answer. ICMAI Chapters, industry associations and academic institutions could jointly offer periodic financial clinics or shared advisory support in industrial clusters. A hundred small enterprises may not need a hundred full-time finance specialists, but many of them could benefit considerably from periodic review of product cost, receivables, inventory and cash flow.

Conclusion

The **Micro, Small and Medium Enterprises Development (Amendment) Act, 2026** is best seen as an attempt to modernise the framework created in 2006. The earlier legislation had already provided important protections, especially in relation to delayed payments. The new amendment adds a stronger digital, financial and institutional layer through TReDS, simplified registration, more time-conscious dispute resolution, improved recovery and a different approach to compliance. It is an important shift, but the law can only create the surrounding environment. It cannot decide whether a particular invoice should be discounted, whether a customer remains profitable after the cost of delayed credit is considered or whether the next machine will generate an adequate return.

Those are still business decisions, and this is where the future role of CMAs becomes relevant. The profession has an opportunity to move closer to the economic problems actually faced by smaller entrepreneurs—costing, pricing, cash flow, receivables, financing, project appraisal and growth. For ICMAI, the MSME & Start-up Promotion Board, the Corporate Mitra initiative and the Chapter network provide a useful institutional base through which this knowledge can be taken closer to enterprises.

India certainly needs more formal MSMEs, but registration by itself cannot be the final objective. It needs enterprises that understand what they earn, know where their cash is blocked and are confident enough to grow when the economics justify growth. The success of MSME 2.0 will therefore be measured not merely by the quality of the amended legislation but by whether smaller businesses become financially stronger because of it.

For Cost and Management Accountants, the message is equally simple. Management accounting creates its greatest value not after a poor decision appears in the financial statements, **but before that decision is taken.** The 2026 MSME framework gives the profession an opportunity to demonstrate precisely that. MA

References and Further readings

1. *The Micro, Small and Medium Enterprises Development Act, 2006.*
2. *The Institute of Cost Accountants of India. MSME TITBITS. 2026.*
3. *The Institute of Cost Accountants of India. Corporate Mitra Course and Scheme Material. 2026.*
4. *https://msme.gov.in/*
5. *https://niti.gov.in/*
6. *https://timesofindia.indiatimes.com/business/india-business/for-ease-of-liquidity-business-government-to-amend-msme-act/articleshow/132696961.cms*
7. *https://www.livemint.com/opinion/online-views/msme-minister-india-amended-law-dynamic-msme-sector-viksit-bharat-2047-11786699832019.html*
8. *https://www.telegraphindia.com/india/rajya-sabha-passes-msme-amendment-bill-2026-to-speed-up-payments-resolve-disputes/cid/2173149#goog_rewarded*

NOTES FOR AUTHORS

Referencing is a crucial aspect of writing a journal article to avoid plagiarism. 'Plagiarism' refers to the act of using someone else's work or ideas without giving proper credit to the original source. To avoid plagiarism in your writing, you must properly reference all the sources that you use in your research.

- **Choose a referencing style:** There are many different referencing styles, such as APA, MLA, Chicago, and Harvard, each with its own specific format and rules. Choose the style that is most appropriate for your field and stick to it consistently throughout your paper.
- **Cite your sources:** Cite the sources of information you use in your text by giving the author's name, publication date, and page number(s) for direct quotes or paraphrased material.
- **Use a reference list:** At the end of your paper, include a reference list that lists all the sources you have used in alphabetical order. This will give your readers a complete list of the sources you consulted in your research.
- **Be accurate:** Ensure that the information you provide in your references is accurate and complete. This includes the author's name, publication date, title, and source of the information.
- **Paraphrase carefully:** When paraphrasing, make sure to put the information into your own words, but still give proper credit to the original source.

By following these tips, you can effectively reference your sources in your journal article and avoid plagiarism. Remember that proper referencing is not only important for avoiding plagiarism, but it also helps to support your arguments and show the depth of your research.

COST AUDIT AS A GOVERNANCE TOOL: MODERNISING INDIA'S FRAMEWORK FOR EVIDENCE-BASED ECONOMIC POLICY

Abstract

Statutory cost audit under Section 148 of the Companies Act, 2013 has come under periodic pressure from ease-of-doing-business advocates and even from the Industry, even as government bodies continue to draw on the cost data it produces for pricing, anti-dumping and incentive-verification decisions. This article asks a narrower question than critics usually pose - not whether cost audit is flawed, but whether its deficiencies call for reform or removal. The distinction matters because financial and cost accounting answer different questions altogether — one reports what an enterprise earned, the other what a specific product actually cost to make — and regulators such as the NPPA, DGTR and CCI depend on the latter in ways financial statements cannot supply.

The article builds its case partly through comparison, noting that the US, UK, Germany, Japan and South Korea all maintain their own cost-accounting regimes, and partly through history, tracing how the US Cost Accounting Standards Board was defunded in 1980 only to be reconstituted in 1988 once its absence proved costly. A parallel is drawn to India's civil-registration data during the pandemic mortality debate, where contemporaneously recorded figures held up better than retrospective estimates — an argument extended here to cost data generally. Rather than defending the status quo, the article backs the January 2024 Inter-Ministerial Committee's proposals on digital integration, threshold review and data utilisation, and adds its own recommendation to restore item- and activity-wise reporting in place of the current CTA-code format. Its conclusion is that reform, not withdrawal, is the overdue task.

CMA Ashwin G Dalwadi
Former President &
Council Member, ICMAI
agdandco@gmail.com

Introduction

Cost Audit occupies an uneasy position in contemporary policy discourse. While regulatory authorities rely on correct and standardized cost data to administer large-scale Government schemes—anti-dumping investigations, pharmaceutical pricing, subsidy distribution, production-linked incentives—periodic questions surface about the necessity of mandatory cost records and independent cost audit under Section 148 of the Companies Act, 2013. Rather than viewing cost audit as a legacy mechanism from the administered-pricing era, modern economies recognise it as an essential tool that complements market liberalisation through enhanced transparency and evidence-based policy formulation.

Recent commentary on some social media

platforms has suggested that Government bodies are actively considering curtailment of statutory cost accounting and cost audit requirements as a measure to enhance ease of doing business. While such observations merit respectful consideration—compliance burden is a legitimate policy concern—they deserve examination against the evidence of contemporary regulatory dependence and the international experience. The question is not whether cost audit has deficiencies in implementation or design. The appropriate response to deficiency is modernisation, not dismantling. This distinction between reform and removal is central to the analysis that follows.

This article examines whether and under what conditions, India's statutory cost-audit framework continues to generate sufficient public-policy value to justify the compliance costs it imposes. Using comparative institutional evidence and a functional analysis of India's regulatory ecosystem, it evaluates the framework's present utility, its limitations and the case for proportionate, technology-enabled reform.

Financial Data and Cost Audit Data: Complementary, Not Competing

A foundational confusion underlies much discussion of cost audit: the assumption that cost data and financial data answer the same questions. They do not. Financial accounting aggregates costs by function or nature—cost of goods/services sold, selling and distribution expenses, administrative costs—and reports them at entity level. It answers a single critical question: what did the enterprise earn? By contrast, cost accounting disaggregates these aggregates to product, process or activity level, answering a fundamentally different question: what did each product or service actually cost to produce?

Consider a pharmaceutical company manufacturing twenty products from three manufacturing facilities. Its financial statements will show aggregate cost of goods sold. But a pharmaceutical regulator seeking to determine a ceiling price for one specific drug requires unit-level cost information for that product at that facility—information absent from financial statements. Similarly, a competition regulator investigating cost-based pricing in a steel plant requires granular data on overhead allocation, capacity utilisation and conversion costs for specific product categories. A trade regulator determining anti-dumping margins requires cost-of-production data disaggregated by product and period. None of this information is produced by financial accounting alone.

Cost audit is the mechanism through which this complementary information is generated and independently verified. It is not a check on financial audit; it is an independent governance function serving regulatory purposes that financial audit cannot address. The two forms of audit are positioned side-by-side in India's statutory framework—Sections 139 and 148 of the Companies Act, 2013—not because cost audit duplicates financial audit, but because it addresses distinct governance needs.

The Case for Structured Cost Information

Cost information matters at the national level not merely for enterprise management but for State action across multiple policy domains. When the Directorate General of Trade Remedies investigates whether imported textiles are being dumped at prices below cost of production, it requires contemporaneously verified cost data from both domestic and foreign producers.

The January 2024 inter-ministerial committee report records the relevance of cost information to trade-remedy administration. Any numerical statement regarding the number of investigations or companies affected should be retained only if the exact figure, period and underlying DGTR submission can be cited by page or paragraph; otherwise, the unverified numbers should be omitted. Without standardised, audited cost data, such investigations would operate under profound information asymmetry—exporters would self-report costs through questionnaire responses, with limited capacity for independent verification.

The National Pharmaceutical Pricing Authority relies on cost structures to determine ceiling prices for scheduled drugs, verify extraordinary profit margins and prevent consumer exploitation of 1.4 billion Indians. The Competition Commission of India used cost data traceable to the statutory framework in its landmark cement-cartelisation proceedings. The Government's Production-Linked Incentive schemes, committing lakh-crore rupee outlays, depend on cost verification to prevent artificial inflation of claims and misstatement of value addition. Revenue authorities rely on cost information for transfer pricing, indirect tax reconciliation and detection of evasion. While governments track budgeted expenditure and utilization, they lack centralized cost-outcome data, which the statutory cost audit mechanism provides.

These are not peripheral applications. They are central functions of economic governance.

Effect of the Regulatory Gap

Maintaining the statutory cost audit framework ensures continuous generation, standardisation and independent verification of regulatory cost data. The strength of this institutional infrastructure is material. First, uniform cost-recording requirements enable enterprises to maintain comparable records across standardised frameworks, ensuring consistency across companies and periods. Second, independent professional verification provides assurance on cost claims beyond self-certification. Third, when the Government requires reliable cost data for trade investigations, pricing interventions, supply-chain disruptions or policy emergencies, it should be able to access contemporaneously verified information with confidence. The importance of such a mechanism has already been demonstrated in the recent past. During the COVID-19 pandemic, and again during the period of heightened India-China tensions following the Galwan Valley incident, imports of several critical inputs were disrupted, supply chains came under pressure, and the costs of certain raw materials and components increased sharply within a short period. In such situations, the Government needs credible and timely data to assess how external shocks are affecting production costs, prices, industry viability and the broader economy. A rule-based cost accounting and audit framework substantially reduces the information asymmetry that would otherwise arise from post-hoc reconstruction of data. It enables historical cost information to be traced to contemporaneous records, subjected to professional verification and regulatory oversight, thereby providing the Government with a more dependable basis for timely and evidence-based policy intervention.

Fourth, the loss would not be merely evidentiary but institutional. The Institute of Cost Accountants of India, constituted under parliamentary statute and administered under disciplinary procedures, would lose its primary statutory mandate. The Cost Accounting Standards developed over decades—refined through consultation with industry, academia and regulators—would become advisory guidance rather than binding requirements. The MCA-21 portal, which currently produces a machine-readable national industrial cost dataset, would cease receiving structured data. This is not a marginal regulatory adjustment; it is the dismantling of a governance architecture that regulators have come to depend upon.

Rule-Based Data Governance: A Principle of Public Administration

A fundamental principle of sound public administration deserves emphasis: **data generated through predefined, uniform and rule-based systems are generally more reliable, comparable and defensible than information reconstructed retrospectively through ad hoc methodologies**.

The importance of this principle became particularly evident during the COVID-19 pandemic, when the reliability of India's reported mortality data was questioned internationally. Certain estimates based on sampling surveys and model-based projections produced mortality figures substantially different from the officially reported numbers, largely because they relied on different methodologies, assumptions and estimation techniques.

India was, however, in a position to respond to such concerns on the strength of its statutory civil-registration framework established under the **Registration of Births and Deaths Act, 1969**. Deaths were recorded through an institutionalised and legally prescribed system rather than being reconstructed only after the event. The availability of systematically collected official records provided an objective basis for examining the reported mortality figures and demonstrating that divergence between officially recorded deaths and subsequently estimated mortality figures could arise from **differences in methodology, assumptions, coverage and estimation techniques**, and did not, by itself, establish underreporting.

The episode illustrates a broader governance lesson: ***when data are generated contemporaneously under a statutory, standardised and auditable framework, their credibility and evidentiary value are inherently stronger than figures reconstructed later through estimation models.***

India's statutory cost accounting framework embodies the same governance principle. Enterprises are required to maintain cost records according to prescribed formats and standards. These records are subject to contemporaneous audit by Cost Accountants bound by professional disciplinary standards. Cost data accumulate continuously in a standardised repository accessible to multiple regulators. When a Government agency requires cost information, it is not retrospectively assembled under pressure from incomplete or biased historical records. It is already in hand—contemporaneously generated, independently verified and comparable across enterprises and periods. This is not a minor administrative efficiency. It is a foundational difference in the quality of evidence available to policymakers.

International Practice: Structured Cost Information Is Globally Valued

The premise that cost audit is uniquely Indian phenomenon does not withstand international examination. Every major economy maintains some framework through which cost information is generated, standardised and made available to regulators. The United States operates a Cost Accounting Standards regime under federal law, requiring contractors under federal negotiated contracts exceeding USD 5 million to maintain cost records and submit to audit by the Defense Contract Audit Agency. The United Kingdom applies Full Economic Costing and Transparent Approach to Costing models to government departments, higher-education institutions and regulated utilities, with penalties for false submissions. Germany mandates cost-plus-basis public procurement with continuous cost monitoring, supported by statutory cost elements defined in its commercial code. Japan's Business Accounting Council has issued ten Cost Accounting Standards applicable across all business entities. South Korea maintains thirty Cost Accounting Standards for manufacturing and non-manufacturing entities, with mandatory separate schedules of manufacturing costs and cost of sales subject to auditor verification.

What distinguishes jurisdictions is not whether cost-accounting discipline exists but the institutional vehicle through which it operates. India's distinctive contribution has been to combine primary-legislation mandate, professional-body (ICMAI) administration with parliamentary statutory discipline, multi-sector applicability across 39 economically significant sectors, codified standards (25 Cost Accounting Standards), structured digital filing through the MCA-21 portal in XBRL format, and integrated access by multiple regulators. The synthesis of these elements is institutionally unique. It demonstrates that mature, high-capacity economies recognise the policy value of structured cost information and invest in institutional mechanisms to ensure its generation, standardisation and independence.

The USA-India Democratic Precedent: Institutional Resilience and Periodic Renewal

It is interesting to note that the histories of cost accounting governance in India and the United States reveal a striking parallel—and an instructive lesson about democratic governance and evidence-based policymaking. Both nations are major democracies with large, complex economies. Both faced significant concerns from trade and industry sectors during the 1960s regarding profiteering practices and the absence of transparent, verifiable cost data. Both constituted expert committees to examine the problem. Both committees concluded that statutory frameworks for cost accounting and independent cost audit were necessary governance instruments.

India, acting on such recommendations, amended the Companies Act, 1956, to introduce mandatory cost records maintenance and cost audit requirements for specified industries. This framework, refined and updated through successive legislative amendments, persists to the present day as a core governance mechanism.

The United States, through legislative action under 41 U.S.C. 1501 et seq., established the Cost Accounting Standards Board in 1970 to establish uniformity in cost accounting standards applicable to federal contractors. Like India, the creation reflected democratic deliberation about societal interest in transparent, standardised, independently verified cost information.

Both frameworks faced sustained resistance from trade and industry sectors opposed to compliance requirements. Both governments, at different points, encountered political pressure to curtail or eliminate the frameworks in the name of reducing regulatory burden and easing business operations. The United States experienced the most severe challenge when the original CASB was dissolved on September 30, 1980, due to Congressional defunding. For eight years, from 1980 to 1988, the Board ceased operations entirely. Facing financial starvation and industry pressure, cost accounting standards appeared destined for obsolescence in the United States, just as critics periodically suggest in India today.

The cycle of institutional learning repeated in the United States just as it continues in India. Public and legislative attention to fair trade practices, cost-based pricing integrity, and transparency in government contracting intensified. There was renewed recognition of the value of structured, standardised, independently verified cost information. The United States moved decisively to strengthen cost accounting governance by reestablishing the CASB in 1988. Upon reestablishment, the Board has maintained important activity to address CAS interpretation matters and ensure ongoing consistency in cost accounting practices across government contractors. This demonstrated commitment continues to the present day

India's cost audit framework has evolved through continuous industry engagement and economic calibration. Strategic reviews reflect a commitment to ongoing improvement. Its refinement stems from active reliance by trade remedy - a legal policy tool that governments use to protect local businesses from unfair foreign competition, pricing, competition, and revenue authorities. Unlike the US system, which required reestablishment after restructuring, India maintained institutional continuity by consistently demonstrating its regulatory utility and long-term value.

The USA-India precedent offers a powerful lesson for contemporary policy deliberation. Both major democracies have concluded, through episodic but recurring deliberation spanning decades, that statutory cost accounting and cost audit are governance necessities, not dispensable legacies. Both have experienced sustained resistance from regulated industries and periodic pressure to abandon the frameworks. The United States learned through the painful experience of dissolution and the subsequent need for reestablishment that cost audit frameworks warrant institutional permanence. India has avoided that painful experience through continuous operation and demonstrated utility.

Where deficiencies arise in design, coverage or utilisation, the policy response should be assessed against the relative costs and benefits of modernisation, rationalisation and where justified, discontinuance. On the evidence examined in this article, a modernised framework appears more capable of preserving policy-relevant information while reducing avoidable compliance burden. Contemporaneous, standardised records can materially improve the comparability and auditability of information available to policymakers when compared with data reconstructed after the event.

Reform Agenda for India's Framework - Modernisation

A. Reform direction emerging from the Inter-Ministerial Committee

India's framework has evolved through legislative amendment, stakeholder consultation and periodic review. Its continuing relevance has been assessed by the committee through references to documented use by trade-remedy, pricing, competition and revenue authorities.

The January 2024 inter-ministerial MCA Committee, comprising representatives from the Ministry of Finance, Corporate Affairs, Department of Expenditure, NPPA, CBDT, CBIC, DGTR and sectoral regulators, undertook a comprehensive examination of the statutory cost audit framework. Rather than recommending removal, the Committee recommended rationalisation of sectoral coverage, review of applicability thresholds, integration with GST and PLI dashboards, development of sectoral cost-intelligence platforms for inter-firm benchmarking, risk-based selection protocols to focus audit efforts on high-policy-impact entities and strengthened utilisation of cost audit data by Government agencies.

The said expert committee has already set a modernisation agenda for cost audit address: (i) Digital integration—real-time, machine-readable filing of cost data with integration into regulatory dashboards, reducing manual compliance burden; (ii) Threshold calibration—periodic review of turnover thresholds and sectoral applicability to ensure compliance cost is proportionate to policy benefit; (iii) Standards refinement—continuous revision of Cost Accounting Standards to reflect technology, sectoral changes and emerging policy priorities; (iv) Utilisation enhancement—establishment of inter-ministerial nodal-officer frameworks and sectoral cost-intelligence platforms to transform raw data into policy-usable intelligence; (v) Confidentiality architecture—robust data-governance safeguards permitting legitimate regulator access while protecting commercially sensitive information; and (vi) Capacity building—investment in the professional competence of Cost Accountants to ensure audit quality and relevance.

B. Further reforms proposed by the author

At this stage, India needs to revisit the existing mechanism, which is opaque to some extent by reporting cost elementwise & grouped cost data under CTA codes and, needs to fall back to original Item-wise and activity wise cost reporting

Conclusion

The case advanced here is not for preserving every feature of the present framework. It is for retaining the public-policy capability to generate reliable, comparable and independently assured cost information, while redesigning coverage, reporting architecture and data use.

Given the **changing contribution and composition of India's industrial and service sectors**, the need has arisen to revisit and expand the coverage of the cost accounting and cost audit framework by bringing appropriate **emerging manufacturing and service activities** within its ambit. Such expansion, based on their economic significance and policy relevance, is the need of the hour. In this context, **implementation of the recommendations of the January 2024 Inter-Ministerial MCA Committee is now overdue and warrants priority consideration.** MA

References

1. *Companies Act, 2013. Section 148 (Cost Records and Cost Audit). Government of India.*
2. *Companies (Cost Records and Audit) Rules, 2014. Ministry of Corporate Affairs, Government of India.*
3. *Companies Act, 1956. Amendment introducing Cost Accounting Records and Cost Audit requirements. Government of India.*
4. *Report of the Inter-Ministerial Committee on Cost Accounting Records and Cost Audit Framework (Chair: Shri Ashu Mathur, Chief Adviser (Cost), Ministry of Finance), January 2024. Ministry of Corporate Affairs.*
5. *Submission of the Directorate General of Trade Remedies before the MCA Committee, January 2024. Ministry of Commerce & Industry.*
6. *Institute of Cost Accountants of India. Cost Accounting Standards (25 Standards, 2024 Edition). ICMAI Publications.*
7. *Cost and Works Accountants Act, 1959. (Act No. 23 of 1959). Government of India.*
8. *41 U.S.C. Chapter 15 (Cost Accounting Standards). United States Code. Office of Federal Procurement Policy (OFPP), Office of Management and Budget (OMB).*
9. *Cost Accounting Standards Board (CASB). Official Website: https://www.acquisition.gov/cost-accounting-standards-board. U.S. General Services Administration (GSA).*
10. *Defense Contract Audit Agency (DCAA) Manual 2201-02: Cost Accounting Standards Administration. U.S. Department of Defense. May 2024.*
11. *The Evolution of CASB and the Significance of the CAS Clause. CapitalEdge Consulting. May 2024. Retrieved from https://capitaledgeconsulting.com/cas-clause/*
12. *Cost Accounting Standards. Wikipedia. Retrieved from https://en.wikipedia.org/wiki/Cost_Accounting_Standards*
13. *World Health Organization. Excess Mortality Associated with COVID-19. World Health Organization Report, 2022.*
14. *Handelsgesetzbuch (German Commercial Code). Section 255. Governments of German-Speaking States.*

SCM FOR VIABLE ENERGY SECURITY

Abstract

Risk and cost of imported fossil fuels, especially after the latest West Asia war, make the search for viable and indigenous fuels inevitable for an import dependent nation like India. In this context, there are certain macro factors which could guide suitable Strategic Cost Management (SCM) practices for evolving such viable alternatives.

Fuel for transportation and cooking needs of the world's most populous nation, mostly with low per capita income, makes these SCM factors very pertinent. Moreover, for overall improvement of RE power assets, and their better utilization, SCM methods could be vital for forming the basis of viable energy for the benefit of citizens, economic self reliance and improving the environmental factors too deteriorated by fossils.

Based on the study, certain SCM parameters seem very critical where the concerned industries and consumer groups could focus for a targeted viability level of different forms of alternate energy.

CMA Padmanabhan Satyes Kumar
Ex. DGM (Finance)
BHEL - Hardwar
satyeskumar@yahoo.com

Introduction and Need:

Risks and cost of imported fossil fuel and its environmental concerns has pushed for the need of faster energy transition through viable and greener indigenous alternatives on the macro fronts which needs focused SCM practices to support the same through focused Cost Driver Analysis, Value Chain Analysis, Strategic Positioning Analysis etc. based on Benchmarking, TQM and continuous improvements by all stakeholders.

Two main segments of energy consumption, presently catered mostly through imported fossil fuel, viz.(a) Transportation and (b) cooking energy, are analyzed in details and additionally, since most of the alternatives are related to enhanced electrical capacity, part (c) covers the SCM factors for increasing the RE share in the overall electrical energy mix of the nation.

Transportation: As per the current patterns of fossil consumption, Trucks and Buses are the singular largest consumer of fossils, while the other group consist of personal 2 wheelers, 4 wheelers, and passenger/transport 3 wheelers. As EVs have started their impactful presence in the later group for last few years, *the focus of policy thrust now seems to be on the former group since e-trucks and e-buses can save substantial imported fossils.*

1. **India Considering $1 Billion Incentives for E-buses and E-trucks (R#1)**

   Bloomberg report that GOI is actively considering lifelong interest subvention scheme for private bus and truck operators up to Rs. 15 lakh on each such EV, as 95% of the road transport fleet (20 lakh buses) are run by private entities, apart from marginal transport truck owners who are big in numbers but cannot afford investing in EVs.

2. **GOI Review Policy Support for Buses and Trucks (R#2)**

   As GOI focus on policy support for this heavy duty segment, *project oriented companies like BHEL, under the same ministry, with heavy consumption of fossil fuel, can contribute substantially to such schemes.*

3. **GreenLine Mobility to Promote Fuel Saving Trucks(R#3)**

   Green-Line Mobility Solutions plans to expand its LNG truck fleet to 10,000 with potential saving of nearly $5-6 billion annually on fuel imports and offering operators better cost per ton-km compared to normal diesel trucks.

4. **Amazon to Tie Up Eicher for EV Trucks (R#4)**

   Amzon enters a contract with Eicher Motors to hire 1000 mini EV-trucks for distribution of its customer oriented consignments in many major cities which is expected to cut its diesel consumption.

5. **Data Advancements Transforming EV Battery-(R#5)**

   Advanced analytical tools are now being used for improving EV Battery's safety and lifespan issues for optimization of performance and cost improvement for making them adaptable and viable.

6. **GOI may Incentivize Domestic Supply Chains for EVs (R#6)**

   Policy for fiscal support, including tax concessions and outcome linked plans, to domestic industries in the EV supply chains are in active consideration of the GOI as India aims to boost and support EVs in a big way for its energy security plans

7. **Tata Power expand Charging Services on Mumbai- Delhi Highway (R#7)**

   This highway support huge traffic of passenger vehicles as well as commercial fleet, this initiative by Tata will prove to be a very good early bird investment having potential of very good returns.

8. **Affordable New EVs from Tata Motors(R#8)**

   While PUNCH @6.49 Lakh (or EMI #12,500) with a 30W battery including 15 year warranty and 300 km range is really good, it has also come out with next gen Tata Next Gen Tiago @ 4.69 lakh.

Key SCM Factors For Transportation From Above Trends:

SCM Factor	Advantage	Reasons
Battery Life time cost/ Service	Biggest cost component of EV needs gradual reduction under a Targeted cost approach.	Innovative Price strategies will decide the long term viability and mass adoption.
Emerging Options for Heavy Transport's Transition	Heavy duty trucks and buses have potential for substantial energy transition and thus the Cost and mileage advantage compared to the ICE will be a real game-changer.	Innovative EV financing and partnership will enable quick adoption of EVs. Better Possibility of CNG/ LNG supplies and import substitution.
Customer Specific Solutions	This will be really viable for Uber/Ola type of service providers or the Amazon/ flipkart type of e-commerce players.	Heavy daily mileage could result in faster payback of investments apart from huge savings on fossil fuels.
Warranty/ EMI Designs etc.	Tata's strategies are effective in giving confidence for RE adoption and invest in upfront cost.	SCM around this factor could result in long term market share
Sub 5 lakh EV Car	Tata's Next Gen Tiago @ Rs 4.69 lakh is path-breaking update in the 4 wheeler car.	Very good option for any lower middle class family to invest in this compared to even a 3 lakh ICE.
Innovative Features	Vehicle Rooftop solar chargers can be designed in innovative mode.	Parking in outside could auto charge the vehicles at nil cost.

Cooking Alternatives: Over 30 crore LPG consumers are currently facing un-certainty and innovative alternatives such as Solar cookers, DME, Electric cooking and Syngas, apart from cleaner use of coal and bio-fuels could provide relief.

1. **DME can Supplement/ Replace LPG(R#9)**: DiMethyl Ether (DME) generated from coal and biomass can replace LPG or can be blended with LPG as confirmed by CSIR scientists in Pune.
2. **Induction Cook-tops to Solve LPG Crisis(R#10):**These electric cook-tops are fast, energy efficient and also affordable. GOI thrust on expanding domestic capacity of induction heaters and may procure millions of such cook-tops through CPSUs like EESL for public distribution to replace LPG.
3. **Coal Gasification & resultant synthetic gas (syngas) has the potential to replace LPG and LNG (R#11)** GOI sanctions Rs 37,500 crore for 3rd trial on this vital project , as India's rich coal reserves could potentially solve the major component of energy security concerns of the nation; also companies like the Bharat Coal Gasification and Chemicals Limited (BCGCL) a JV between Coal India and BHEL, can proceed with big exploratory projects on coal gasification for multiple energy and chemicals like the one bagged recently by L&T in Orissa (R#12).

Key SCM Factors for Emerging Cooking Alternatives:

SCM Factor	Advantage	Reasons
Solar Options	Solar cookers for day time direct cooking and induction heaters based on mini solar sets can replace LPG.	Almost nil operation cost makes it attractive once the upfront cost is subsidized under support schemes.
Electric cooking	Best alternative as electricity from any source is cheaper than LPG.	Cost and availability both are better than imported LPG.
DME etc.	This can either supplement (mix with LPG) or totally replace LPG.	Cost viability may speed up its commercial sale to replace LPG.
Syngas/ Cleaner coal	This can be with either syngas or from forms of coal in better designed coal ovens.	Cleaner use of coal can immediately be used in commercial segment.

Need for Fossil Replacement and Greater RE Utilization:

1. **Bloomberg Report On World Energy Security(R#13)**: Oil shocks of 1970s, the Russia Ukrain war of recent times, and now the West Asia war has underlined the doubts on fossil energy security while RE, especially solar, nuclear and hydro seems to be much more reliable.
2. **Rising Energy Cost Energy Forces Hunt for Alternatives (R#14)**

   Switching to an EV, rooftop solar, or an induction cook top can protect household budget from cost and risk impacts of imported fuel but the constraint is the upfront cost and look for minimum operational cost is the key factors.
3. **India's Import Dependence & Need for Green Transition(R#15)-** Former TCS chief opines that India needs a shift in the growth model based on green energy which can attract substantial investment and create jobs mainly under RE, Bio economy and circular economy to substantially reduce imports and support energy security.
4. **GOI Suports 40 sub-sectors for Relaxed FDI (R#16)** India is fast-tracking FDI proposals from China etc, in 40 key manufacturing sub-sectors, including rare earth magnets and electronics, which will be cleared now within 60 days to boost domestic manufacturing.
5. **Thermal Units Block Grid to Induce Big Waste of Solar Power(R#17)**

   Thermal plants are reportedly blocking the evacuation of solar power into the grid, leading to significant RE curtailment resulting in nearly 300GWh of solar power waste in first quarter of 2026 despite a GOI order of 2023 which mandated thermal plant to cut their day time generation to 40% of their capacity to utilize more of solar power but still being run on 55% capacity as even NTPC says running at 40% will not recover their fixed cost.

6. **Viability Gap Funding (VGF) Scheme for BESS Push (R#18)**

   The VGF scheme is in the works for 112 GWh projects. This initiative involves an outlay of around ₹15,000 crore. The plan includes battery storage, pumped storage, and new technology systems. This will support Round the Clock (RTC) of the RE plants.

Key SCM Factors for RE Optimization:

SCM Factor	Advantage	Reason
RE's Operation cost advantages needs strategic promotion.	Innovative finance commercial interest rates induces faster payback.	Massive EV and other cooking needs could be supported by RE.
Supply chain security of the RE equipments manufacturing.	Unless this is assured it may become future bottleneck of RE.	Long term reliance RE should also factor the risk of its supply chain.
Grid Factors, RTC and optimization of energy mix.	Stand-alone solar could be focused; but once Grid restrictions, BESS and other RTC are solved, even utility based RE could prove cheaper.	Macro constraints will improve in the long run so as to utilize the installed assets with greater optimization.

Conclusion

Macro progress and constraints can be easily factored for *SCM practices on the energy transition by companies for successful business adoption along-with technological advancements, financing designs, localization capabilities, distribution networks, etc. and are vital for all stakeholders of the EV chain, cooking fuel industries and well as RE power players and agencies.*

If these factors are suitably considered by the strategic management/cost accountants under them, they can evolve suitable SCM practices linked to evolving technologies related to these new energy options. MA

References

1. *R#1- India Weighs Incentives on E-Bus/ E-Trucks-ET 20/5/26*
2. *R#2- Ministry of Heavy Industries Reviews EV Scope -ET 20/5/26*
3. *R#3- GreenLine Mobility to Invest 1500 crore for LNG Trucks-ET 22/5/26*
4. *R#4- Eicher To Supply 1000 E Trucks to Amazon- ET 19/5/26*
5. *R#5-Developments to Improve EV Battery Profile and Cost-ET -26/5/26*
6. *R#6-GOI Considering Policy Supports for EV Supply Chains-ET 30/5/26*
7. *R#7-Tata Power (EV Arm) on Mumbai-Delhi Highway- ET 26/5/26*
8. *R#8-Tata Motors Bring Out Low Cost EV Car- ET 28/5/26*
9. *R#9-Pune Scientists Find LPG's Alternative- ET-18/5/22*
10. *R#10- GOI plan to promote Induction Cook-tops-ET 3/5/26 & 14/5/26*
11. *R#11- I&B Minister On Coal Gasification-ET 13/5/26*
12. *R#12- L&T Contract with BCGCL-ET 5/5/26*
13. *R#13- Fossil Fuels No Security, Clean Energy Can- ET 02/05/2026*
14. *R#14- Alternative Solution for Rising Energy Bills- Yasmin Hussian-ET 11/5/26*
15. *R#15- 1 Trillion Import Dependence Makes Green Transition A Strategic Necessity:-ET 19/5/26*
16. *R#16- Cross Border FDI in 40 Subsectors –ET 5/5/26*
17. *R#17- Solar Surge Hits Coal Wall-ET-29/5/26*
18. *R#18- Rs 15000 crore VGF for BESS-ET 30/5/26*

MAINTENANCE OF COST RECORDS FOR A TRANSMISSION COMPANY

Abstract

Electricity transmission companies play a vital role in the power sector by transporting electricity from power stations to distribution utilities and larger consumers through high-voltage transmission lines and substations. Unlike manufacturing companies, transmission companies operate on a network-based service where a major part of the expenses goes toward shared infrastructure.

Maintenance of cost records for such companies involves careful identification of cost centres, precise classification of direct and indirect costs, and adoption of scientifically justified cost allocation bases. This article outlines a practical approach for maintaining cost records, preparing cost sheets and line-wise cost statements in line with Cost Accounting Standards and the Electricity Industry Cost Records framework.

CMA Sorabh Sethi
Practicing Cost Accountant
Lucknow
sorabh_cwa@yahoo.com

Introduction

A transmission company manages and operates an integrated infrastructure that includes:

- Multiple Extra High Voltage transmission lines
- One or more transmission & pooling substations
- Grid control & load dispatch systems
- Protection and automation systems
- Communication networks & administrative offices

Since electricity flows through an interconnected network, many costs are common and cannot be identified directly with individual transmission lines. Therefore, cost records should account for individual line costs, substation costs, and common transmission services.

Cost per CKM Determine Cost per Circuit Kilometre	**Line Cost** Cost of each transmission line	**Substation Cost** Cost of operating substations
Service Cost Cost of common transmission services	**Wheeling Cost** Cost of wheeling or power transmission	**Margin Analysis** Overall Margin and profitability

Cost Centres Structure

For effective cost accounting and tracking, a transmission company should setup three distinct tiers of cost centres:

A. Transmission Line Cost Centres	B. Substation Cost Centres	C. Common Cost Centres
Independent cost centres for each line: • Line A | Line B | Line C • Line D | Line E | Line F	Maintained separately by voltage or type: • 400 KV GIS Substation • 220 KV AIS Substation • Pooling Substation	Shared & Administrative functions: • Corporate Office & IT • Load Dispatch Coordination • HR, Finance & Regulatory

Classification of Costs

Proper classification ensures clarity and transparency in the accumulation of costs:

Nature of Cost / Expense Item	Cost Classification Category
Tower maintenance	Transmission Line Cost
Conductor replacement	Transmission Line Cost
Insulator replacement	Transmission Line Cost
Line patrolling	Transmission Line Cost
Transformer maintenance	Substation Cost
Breaker maintenance	Substation Cost
Relay maintenance	Substation Cost
Auxiliary power	Substation Cost
Control room expenses	Substation Cost
Regulatory expenses	Common Corporate Cost
Audit Fees	Common Corporate Cost
Professional Charges	Common Corporate Cost
Corporate Administration	Common Corporate Cost
Finance Cost	Preferably Asset-wise or Project-wise

Repairs & Maintenance (R&M) Cost Handling

Repairs & Maintenance are a major cost driver in transmission utilities. A critical mistake in practice is treating R&M as a single category. R&M expenses must be separated before being allocated.

R&M Category	Amount (Rs Lakhs)	Percentage Share
Line Maintenance	420.00	70.5%
Substation Maintenance	160.00	26.8%
Common Maintenance	16.00	2.7%
Total R&M Expenditure	**596.00**	**100.0%**

Substation Expenses & Cost Allocation Methodology

Substations are shared facilities serving multiple transmission lines. Expenses such as transformer maintenance, breaker maintenance, relay testing, battery banks, auxiliary power, control room expenses, security, and fire protection must first be collected under the respective Substation Cost Centre, and then allocated to connected lines using appropriate cost drivers.

Expense Category	Suggested Cost Driver / Allocation Base	Rationale / Standard Basis
Transformer Maintenance	MVA Capacity	Directly proportional to capacity rating
Bay Maintenance	Number of Bays	Relates to physical bay equipment deployed
Protection System	Number of Feeders	Protective relays correspond to line feeders
Auxiliary Power	Actual Consumption (kWh)	Energy consumed for cooling & control ops
Security Expenses	Area Covered (Sq.m / Asset Value)	Proportional to physical footprint
Civil Maintenance	Asset Capital Value	Reflects building and structure scale

Treatment of Finance Cost

Interest and finance costs typically relate to capital assets. Allocating finance costs based solely on Circuit Kilometre (CKM) alone can lead to distort costs because EHV lines and GIS substations have significantly different capital intensities. Preferred allocation bases are:

- **Gross Fixed Assets (GFA):** Allocates based on original asset creation cost.
- **Capital Employed:** This represents the net funds that are specifically invested in transmission infrastructure.
- **Project Cost / Loan Utilisation:** Directly links interest on specific term loans to the assets that have been funded.

Sequential Workflow for Cost Sheet Preparation

Step 1: Direct Line Cost

Direct Line Manpower + Line Maintenance + Line Security + Power Charges

Step 2: Substation Allocation

Add Allocated Substation Cost (via MVA, Bays, Feeders drivers)

Step 3: Corporate Overhead

Add Common Corporate Cost Allocation (via Gross Block / CKM)

Step 4: Finance Cost

Add Allocated Finance Cost (via GFA / Capital Employed)

Step 5: Total Cost of Transmission

Sum of Steps 1 through 4

Step 6: Revenue Comparison

Compare Total Cost against Approved Tariff Revenue

Step 7: Margin & Profitability

Determine Line-wise Margin and Cost per CKM

Structure of Proforma Cost Statement

Particulars / Cost Head	**Total Business (Rs)**	**Line A (220 KV)**	Line B (400 KV)
Quantitative: CKM (Circuit Km)	1,200	400	800
Quantitative: Number of Towers	3,100	1,000	2,100
Direct Line Operating Costs	1,450,000	450,000	1,000,000
Allocated Substation Costs	850,000	250,000	600,000
Administrative & Corporate Overheads	320,000	100,000	220,000
Allocated Finance Cost	1,100,000	300,000	800,000
TOTAL COST OF TRANSMISSION	**3,720,000**	**1,100,000**	**2,620,000**
Transmission Tariff Revenue	4,500,000	1,350,000	3,150,000
MARGIN / NET PROFIT	**780,000**	**250,000**	**530,000**
Cost per CKM (Rs/CKM)	3,100.00	2,750.00	3,275.00
Revenue per CKM (Rs/CKM)	3,750.00	3,375.00	3,937.50
Margin per CKM (Rs/CKM)	650.00	625.00	662.50

Good Practices vs. Common Pitfalls

Recommended Good Practices ✓	**Common Mistakes Observed ✘**
• Maintain detailed maintenance records for each asset and bay.	• Entire R&M allocated only on Circuit Kilometre (CKM)
• Keep records of transformer and line outages.	• Substation costs merged with line costs or ignored
• Record voltage-wise transmission statistics	• Interest and finance costs allocated arbitrarily
• Track line-wise manpower deployment & registers	• No separate cost centre established for substations
• Track substation-wise auxiliary consumption	• Common overheads allocated without documented basis
• Reconcile Cost Records with Financial Accounts	• Absence of reconciliation between cost & financial books

Conclusion

An accurate cost accounting system for a transmission company should recognise that a transmission network is an integrated infrastructure consisting of transmission lines, substations and common corporate services. Preparation of reliable cost records requires separate identification of direct line costs, substation costs and common overheads, followed by allocation using technically appropriate cost drivers. Such an approach results in more meaningful line-wise cost statements, supports tariff determination, improves regulatory reporting and strengthens managerial decision-making. MA

Key References & Regulatory Framework

1. *Companies (Cost Records and Audit) Rules, 2014 (as amended)*
2. *Guidance Note on Cost Audit of Power Industry, issued by the ICMAI.*
3. *The Institute of Cost Accountants of India (ICMAI) — Cost Accounting Standards (CAS) issued by the ICMAI. Mainly, CAS-3 (Production and Operation Overheads), CAS-12 (Repairs and Maintenance Cost), CAS-13 (Cost of Service Cost Centre), CAS-11 (Administrative Overheads), CAS-16 (Depreciation and Amortization), CAS-17 (Interest and Financing Charges), CAS-8 (Cost of Utilities), CAS-7 (Employee Cost) and CAS-6 (Material Cost) provide the principles for classification, measurement, assignment and disclosure of costs in cost records and cost statements.*
4. *Central Electricity Regulatory Commission (CERC) — Regulations and related transmission regulations*

Ref. No.: G/128(88)/08/2026 28th August, 2026

NOTIFICATION

In pursuance of the Regulation 146 of the Cost and Works Accountants Regulations, 1959, the Council of the Institute of Cost Accountants of India in its 360th Meeting held on 21st May, 2025 and 14th July, 2025 has dissolved the following Chapter of The Institute of Cost Accountants of India:

The Institute of Cost Accountants of India – Jajpur-Keonjhar Chapter
Gangadham, Tarini Market Near Dama Pati Cement, Jajpur Road
Jajpur,
Odisha – 755 019

CMA (Dr.) Debaprosanna Nandy
Secretary (Officiating)

Ref. No.: G/128(87)/08/2026 28th August, 2026

NOTIFICATION

In pursuance of the Regulation 146 of the Cost and Works Accountants Regulations, 1959, the Council of the Institute of Cost Accountants of India in its 360th Meeting held on 21st May, 2025 and 14th July, 2025 has dissolved the following Chapter of The Institute of Cost Accountants of India:

The Institute of Cost Accountants of India – Rajpur Chapter
39, Rakhal Ghosh Road, Nandan, P.O.Rajpur
Kolkata – 700 149

CMA (Dr.) Debaprosanna Nandy
Secretary (Officiating)

Down The Memory Lane

September, 2016

Shri Arjun Ram Meghwal, Hon'ble Minister of State for Finance and Corporate Affairs graced as Chief Guest at the seminar on 'Accelerating Make in India Initiatives- Role of CMAs' held at Bikaner, Rajasthan on September 13, 2016. President of the Institute CMA Manas Kr. Thakur and Vice-President CMA Sanjay Gupta, CMA Mahesh Shah, Past President, CMA Ravi Sahni, Chairman NIRC and Shri Narayan Ji Chopra, Mayor Bikaner are also seen.

Shri Arjun Ram Meghwal, Hon'ble Minister of State for Finance and Corporate Affairs, GOI receiving memento from President CMA Manas Kr. Thakur, Vice-President CMA Sanjay Gupta and Shri Narayan Ji Chopra, Mayor Bikaner at the seminar on 'Accelerating Make in India Initiatives- Role of CMAs' held at Bikaner, Rajasthan on September 13, 2016.

September, 2006

Shekhar Patki, Director-Finance, Wex Technologies, lighting the lamp during the inauguration of the programme on 'Emerging Trends in Corporate Finance' held during 18-20 September 2006 at Pune. Also seen Dhananjay V. Joshi, President, ICWAI. Others from right to left: Sanjay Bhargave, Secretary-WIRC, Chandrasekhar Chitale (Resource Person), Amit Apte, Treasurer, Pune Chapter, Vikaswadadekar, Chairman, PCCA and Vishwesh Desai, Secretary, PCCA.

K.G. Goyal, Chairman, Professional Development Committee, ICWAI, lighting the lamp along with the Chief Guest J.K. Puri, Chief Adviser (Cost), Ministry of finance and Prof. S. Sampath, Corporate Tax and Management Consultant, during the inauguration of the programme on 'Advance Tax, TDS and FBT' held at New Delhi on 12-14 September 2006.

Down The Memory Lane

September, 1996

Harijiban Banerjee welcoming the Chief Guest of the valedictory session, Dr Debi Prasad Pal, M.P. Prof. Shyamal Banerjee and Kunal Banerjee look on

Seen in the picture from left: S.S. Thakur, Director Finance, ECL, N.P. Sukumaran, Amal Kumar Das, Sankar Banerjee, GM (F&A), IISCO and Harijiban Banerjee at the inaugural session of the Symposium of Total Cost Management and Capital Market at Asansol.

September, 1986

A Members' Meet-Cum-Felicitation Function was organized on 21st September, 1986 at Gujarat Chamber of Commerce Hall to felicitate Shri N.R. Sheth, Director, I.I.M. (A) on his being nominated on the Central Council of the Institute.

September, 1976

8th CAPA, HONG KONG, September 20-24, 1976

Source:
Extracted from the various issues of The Management Accountant Journal

EASTERN INDIA REGIONAL COUNCIL

CMA Career Awareness Programme at Dhurba Chand Halder College

On July 27, 2026, Dhurba Chand Halder College in Dakshin Barasat, West Bengal, hosted a Career Awareness Programme to educate and inspire students about career opportunities within the CMA Course. More than 70 students along with faculty members actively participated in the interactive session, gaining valuable insights and resolving their queries regarding the course and its professional prospects.

CMA Career Awareness Programme at Jagatbandhu College

On July 27, 2026, Jagatbandhu College in Kolkata hosted a Career Awareness Programme to guide and motivate students on the career opportunities offered by the CMA Course. Guest faculty and member CMA Anup Chatterjee led the session, providing detailed insights into the course structure and its professional prospects. More than 100 students and faculty members actively participated, engaging in interactive discussions to clarify their queries.

Awareness Programme on Digital Wellness at ICMAI-EIRC

On August 14, 2026, ICMAI-EIRC, in collaboration with Prajapita Brahma Kumaris Ishwariya Vishwa Vidyalaya, conducted a student awareness programme titled "The New Age Nasha Mukt Bharat Abhiyaan – Digital Wellness" at the EIRC Auditorium in Kolkata. The session was inaugurated with a ceremonial lamp-lighting ceremony by dignitaries, including Mental Health Champion CMA Madhura Dasgupta, ICMAI-EIRC Chairman CMA Damodara Mishra, Vice-Chairman CMA Abhijit Dutta, Secretary & Treasurer CMA Bidyadhar Prasad, Immediate Former Chairperson CMA Arati Ganguly, and Former Chairman & RCM CMA Subhasish Chakraborty. Over 60 CMA Foundation and Intermediate oral coaching students actively engaged in the lively, interactive event.

Felicitation of CMA Damodara Mishra by Lions Club of Kolkata

CMA Damodara Mishra, Chairman of ICMAI–EIRC (2026–27), was felicitated by the Lions Club of Kolkata at the ICMAI–EIRC premises on August 14, 2026. Accepting the honor, he expressed his gratitude to the Lions Club for their warm recognition, thoughtful gesture, and continued support.

CPE Programme on "Catalyst for Enterprise Excellence – The Synergy of CMAs & NSIC"

On August 14, 2026, ICMAI–EIRC, in association with the BFSI Board of ICMAI and NSIC Ltd., Kolkata, hosted a two-hour CPE Programme titled "Catalyst for Enterprise Excellence – The Synergy of CMAs & NSIC" at the EIRC Auditorium, Kolkata. The technical session featured Dr. Anupam Gayen (Zonal General Manager, NSIC) as Special Guest and Mr. Bipul Bag (Senior Branch Manager, NSIC) as Resource Person, with facilitation by CMA Prasanna Kumar Mishra. Attended by key ICMAI–EIRC leadership - including Chairman CMA Damodara Mishra, Vice-Chairman CMA Abhijit Dutta, Secretary CMA Bidyadhar Prasad, Immediate Former Chairperson CMA Arati Ganguly, and Former Chairman CMA Subhasish Chakraborty - the event provided key insights into NSIC support for MSMEs and how CMAs enhance financial efficiency. Over 50 CMA members actively participated in the interactive session.

Celebration of 80th Independence Day at ICMAI-EIRC

On August 15, 2026, ICMAI-EIRC celebrated the 80th Independence Day with great enthusiasm and grandeur at its premises. Chief Guest CMA Manoj Kumar Anand, Vice-President of ICMAI, hoisted the National Flag in the presence of distinguished dignitaries, including former ICMAI President CMA Bibhuti Bhusan Nayak, Council Member CMA Abhijit Goswami, and ICMAI-EIRC leadership led by Chairman CMA Damodara Mishra. Over 150 participants - comprising former ICMAI presidents, former EIRC chairmen, faculty members, CMA professionals, students, and staff - joined the vibrant celebration.

Welcome and Felicitation to Vice-President CMA Manoj Kumar Anand at ICMAI–EIRC

On August 15, 2026, ICMAI–EIRC warmly welcomed and felicitated CMA Manoj Kumar Anand, Vice-President of ICMAI, during his maiden visit to the EIRC premises following his election for the 2026–27 term. Held on the occasion of the 80th Independence Day, the event was attended by all EIRC Regional Council Members, alongside Council Members CMA Bibhuti Bhusan Nayak (Former President) and CMA Avijit Goswami. The gathering was further distinguished by the presence of former ICMAI presidents, former EIRC chairmen, regional council members, and institute officials.

Career Awareness Programme at Basirhat College

On August 19, 2026, a Career Awareness Programme was organized at Basirhat College in North 24 Parganas, West Bengal, to educate students about the CMA Course and its career opportunities. More than 100 Commerce students and faculty members actively participated in the session, engaging in interactive discussions to clarify their queries regarding the course and its professional prospects.

Career Awareness Programme at Taki Bhabanath Higher Secondary School

On August 19, 2026, ICMAI–EIRC successfully conducted a Career Awareness Programme at Taki Bhabanath Higher Secondary School in North 24 Parganas, West Bengal. The EIRC team guided students on the CMA Course, covering its structure, eligibility, and professional prospects. Around 100 students and faculty members actively participated in the interactive session, engaging with the team to resolve their queries about the course and its career opportunities.

Career Awareness Programme at Bhabla Tantra Sir Rajendra Higher Secondary School

On August 19, 2026, a Career Awareness Programme was organized at Bhabla Tantra Sir Rajendra Higher Secondary School in North 24 Parganas, West Bengal, to enlighten students about the CMA Course and its career prospects. More than 60 commerce students and faculty members actively participated in the interactive session, engaging with organizers to clarify their queries regarding the course and future professional opportunities.

Career Awareness Programme at Kachua Deshbandhu Higher Secondary School

On August 19, 2026, ICMAI–EIRC successfully conducted a Career Awareness Programme at Kachua Deshbandhu Higher Secondary School in North 24 Parganas, West Bengal. The EIRC team guided participants on the CMA Course, explaining its structure, eligibility criteria, and professional scope. Students and faculty members actively engaged in an interactive session to clarify their queries regarding the course and its future career prospects.

Career Awareness Programme at Dhanyakuria Higher Secondary School

On August 19, 2026, ICMAI–EIRC successfully conducted a Career Awareness Programme at Dhanyakuria Higher Secondary School in North 24 Parganas, West Bengal. The EIRC team educated participants on the CMA Course, covering eligibility criteria and career opportunities available following higher secondary education. Students and faculty members actively participated in the interactive session, seeking guidance and clarifying their queries regarding the course and its professional prospects.

Career Awareness Programme at Khanchi Gunadhara Adarsha Vidyapith Higher Secondary School

On August 21, 2026, a Career Awareness Programme was organized at Khanchi Gunadhara Adarsha Vidyapith Higher Secondary School in Purba Medinipur, West Bengal, to educate students about the CMA Course and its career prospects. More than 80 commerce students and faculty members actively participated in the interactive session, engaging with organizers to clarify their queries regarding the course and future professional opportunities.

Career Awareness Programme at Santragachi Kedarnath Institution Higher Secondary School

On August 21, 2026, ICMAI-EIRC successfully conducted a Career Awareness Programme at Santragachi Kedarnath Institution Higher Secondary School in Howrah, West Bengal. Guest faculty and ICMAI-EIRC member CMA Subhendu Datta guided the participants on the CMA course structure, eligibility, and professional prospects.

About 100 commerce students and faculty members actively participated in the interactive session to gain insights into future career opportunities.

Career Awareness Programme at Kola Union Higher Secondary School

On August 21, 2026, a Career Awareness Programme was organized at Kola Union Higher Secondary School in Kolaghat, West Bengal, to enlighten students about the CMA Course and its career prospects. More than 80 commerce students and faculty members actively participated in the interactive session, engaging with organizers to clarify their queries regarding the course and future professional opportunities.

Career Awareness Programme at Santragachi Kedarnath Institution High School

On August 24, 2026, ICMAI–EIRC successfully conducted a Career Awareness Programme at Santragachi Kedarnath Institution High School in Howrah, West Bengal. The EIRC team educated participants on the CMA Course, covering eligibility criteria and career opportunities available following higher secondary education. Students and faculty members actively participated in the interactive session, seeking guidance and clarifying their queries regarding the course and its professional prospects.

Career Awareness Programme at Udaypur Haradayal Nag Adarsha Vidyalaya Higher Secondary School

On August 25, 2026, ICMAI-EIRC successfully conducted a Career Awareness Programme at Udaypur Haradayal Nag Adarsha Vidyalaya Higher Secondary School in North Dumdum, West Bengal. Guest faculty and ICMAI-EIRC member CMA Pradip Banerjee guided the participants on the CMA course structure and its various professional prospects. About 100 commerce students and faculty members actively participated in the interactive session to gain valuable insights into career opportunities.

Career Awareness Programme at Singur Mahamaya Higher Secondary School

On August 25, 2026, a Career Awareness Programme was organized at Singur Mahamaya Higher Secondary School in Singur, West Bengal, to educate students about the CMA Course and its career prospects. More than 60 commerce students and faculty members actively participated in the interactive session, engaging with organizers to clarify their queries regarding the course and future professional opportunities.

Career Awareness Programme at Bora Madhusudan High School

On August 25, 2026, ICMAI–EIRC successfully conducted a Career Awareness Programme at Bora Madhusudan High School in Hooghly, West Bengal. The EIRC team presented details on the CMA Course, explaining its structure, eligibility criteria, and professional scope. Around 200 students and faculty members actively participated in the interactive session, engaging with the team to clarify their queries regarding the course and its future career prospects.

Career Awareness Programme at Haripal Gurudayal Institution

On August 25, 2026, a Career Awareness Programme was organized at Haripal Gurudayal Institution in Haripal, West Bengal, to educate students about the CMA Course and the professional opportunities available upon its completion. Around 100 commerce students and faculty members actively participated in the interactive session, engaging with organizers to clarify their queries regarding the course and its future career prospects.

JAMSHEDPUR CHAPTER

Student Orientation, Motivation and Felicitation Ceremony at Chapter

On August 8, 2026, the Chapter of ICMAI successfully organized a Student Orientation and Motivation Programme along with a Felicitation Ceremony at the Russi Modi Centre for Excellence Auditorium, Jamshedpur. The event welcomed approximately 100 newly enrolled students for the current session, providing guidance on the CMA course structure, upcoming oral classes, and career opportunities, while felicitating successful candidates of the CMA Foundation, Intermediate, and Final examinations with certificates and awards.

Chief Guests CMA Abhijit Goswami and CMA Avijit Dutta from Kolkata, alongside CMA Jyoti Prakash (Chairman, Jamshedpur Chapter), addressed the gathering, highlighting bright professional prospects and encouraging dedicated career pursuits. The event was supported by key office bearers and committee members, including CMA Rameshwar Prasad, CMA Santosh Kumar Pandey, CMA Sanjay Choudhary, CMA Jaideep Dasgupta, CMA Lakshay Singh, CMA Nikhil Kumar, CMA Shashi Kiran, CMA Ravindra Prakash, and CMA Umeshwar Sharma.

DHANBAD CHAPTER

Independence Day Celebration, CEP Programme, and Felicitation Ceremony at Chapter

- **Felicitation Programme (August 12, 2026):** A felicitation ceremony was held to honor the final-year students who successfully qualified in the June 2026 ICMAI examinations. Members, students, and parents attended to celebrate the new CMAs' accomplishments.
- **80th Independence Day Celebration (August 15, 2026):** The Chairman of the Chapter unfurled the National Flag to commemorate the 80th Independence Day, accompanied by a large turnout of chapter members, faculty, and students.
- **Continuing Education Programme (August 20, 2026):** A CEP programme centered on the topic "Cost Audit in Mining Sector" was conducted for attending members and students, featuring CMA Niranjan Mishra as the keynote speaker.

SOUTH ODISHA CHAPTER

Annual Members' and Students' Meet – 2026 & Mega Blood Donation Camp at Chapter

On August 16, 2026, the Chapter hosted its Annual Members' and Students' Meet – 2026 alongside a Mega Blood Donation Camp at Biju Pattnaik Sanskruti Bhawan, Berhampur, Odisha, drawing around 450 students and 50 members. Inaugurated by Chapter Chairman CMA Lipu Panda, the event featured addresses by Founder Chairman CMA N. C. Kar, Secretary CMA Dharmendra Kumar Padhy, and Chief Guest Prof. (Dr.) Bipin Nayak, who emphasized skill development and the role of financial professionals in building a developed nation (Viksit Bharat). Organized in partnership with "Ama Odisha," the blood donation drive successfully collected 26 units of blood. The day concluded with student cultural performances, prize distributions for academic and competition achievements, and a vote of thanks by PD Committee Chairman CMA P. K. Pani.

BHUBANESWAR CHAPTER

Career Awareness Programme at ICPS, Bhubaneswar

On July 30, 2026, the Chapter conducted a Career Awareness Programme at the Integral Coaching for Professional Studies (ICPS) in Bhubaneswar. Chapter member CMA Rajesh Kumar Mohakud detailed the CMA course curriculum and its surrounding career opportunities. Over 50 commerce students and faculty members actively participated in the interactive session to clarify their queries regarding the profession.

Webinar on GST ITC: Emerging Issues and Best Practices

On August 2, 2026, the Chapter organized a webinar titled "GST ITC: Emerging Issues and Best Practices." Chapter Vice Chairman CMA Satya Sundar Mahasuar delivered the welcome address and later offered the vote of thanks, while Chairman CMA Avinash Kotni highlighted the evolving role of finance professionals in statutory compliance. The technical session was led by indirect tax expert CMA Bhogavalli Mallikarjuna Gupta, who shared insights on technical competencies and regulatory best practices with the attending members and students.

Career Awareness Programme at Centurion University of Technology & Management

On August 3, 2026, the Chapter conducted a Career Awareness Programme at Centurion University of Technology & Management (CUTM) in Bhubaneswar. Chapter Chairman CMA Avinash Kotni presented a detailed overview of the CMA course curriculum and its associated career opportunities. Over 150 commerce students and faculty members actively participated in the interactive session, engaging with the speaker to clarify their queries regarding the course and its professional scope.

International Commerce Day Celebration at CMA Bhawan, Bhubaneswar

On August 3, 2026, the Chapter celebrated International Commerce Day at CMA Bhawan, Nayapalli, Bhubaneswar, bringing together members, academicians, students, and industry representatives. Chapter Chairman CMA Avinash Kotni opened the event by emphasizing the role of CMAs in promoting ethical business practices, corporate governance, and sustainable economic growth. Keynote speaker Shri Soumya Ranjan Patnaik (CMD, Sambad Group) highlighted commerce as a catalyst for social and economic transformation, urging young professionals to embrace integrity and innovation. The session also featured addresses from Dr. D. N. Mishra, CMA Damodar Mishra, and CMA Swati Kejriwal on financial discipline and entrepreneurship, concluding with a vote of thanks by Immediate Past Chairman CMA Sarat Kumar Behera.

Seminar on Ind AS Masterclass Series (Episode 1: Ind AS 16) at CMA Bhawan

On August 8, 2026, the Chapter organized a seminar titled "Ind AS Masterclass Series – Episode 1: Property, Plant & Equipment (Ind AS 16): Concepts, Case Studies & Compliance" at CMA Bhawan, Bhubaneswar. CMA Satya Sundar Mahasuar (Chairman, Professional Development Committee) delivered the welcome address and vote of thanks, while Chapter Chairman CMA Avinash Kotni highlighted the necessity of continuous learning in evolving financial reporting standards. Keynote speaker CMA Braja Kishore Dash, Management Consultant and former Executive Director (Finance) at NALCO Ltd., shared practical insights, compliance frameworks, and real-world case studies relating to Ind AS 16 with attending members and professionals.

Career Awareness Programme at Delhi Public School, Kalinga

On August 10, 2026, the Chapter conducted a Career Awareness Programme at Delhi Public School, Kalinga. Chapter Chairman CMA Avinash Kotni detailed the CMA course curriculum and its associated career prospects. Over 150 commerce students and faculty members actively participated in the interactive session to clarify their queries regarding the profession and its future scope.

Career Awareness Programme at Kendriya Vidyalaya - 4, Niladri Vihar

On August 14, 2026, the Chapter conducted a Career Awareness Programme at Kendriya Vidyalaya - 4, Niladri Vihar. Chapter Chairman CMA Avinash Kotni provided a detailed overview of the CMA course curriculum and its professional prospects. Over 150 commerce students and faculty members actively participated in the session, engaging with the speaker to clarify their queries regarding the course and future career opportunities.

80th Independence Day Celebration at CMA Bhawan, Bhubaneswar

On August 15, 2026, the Chapter celebrated the 80th Independence Day at CMA Bhawan, Bhubaneswar, with over 100 students participating. Chief Guest CMA Ramaballava Mishra (Former CMD, Heavy Engineering Corporation Ltd.) unfurled the National Flag, alongside Guests of Honour CMA Niranjan Mishra (Former Council Member and Chapter Chairman) and Col. Kirtiman Gautam Mohanty (Former Station Staff Officer). The event featured a motivational session and student competitions for Foundation, Intermediate, and Final students - including a Debate, Knowledge Quiz, Extempore, Creative Visual Storytelling, and an Idea Pitching Competition on "India @ 2047" - focused on patriotism and national development.

Career Awareness Programme at Jupiter College, Gangapada

On August 24, 2026, the Chapter conducted a Career Awareness Programme at Jupiter College in Gangapada. CMA Nilamani Mohapatra, Senior Member and Former Chairman of the Chapter, presented a detailed overview of the CMA course curriculum and its associated career prospects. Over 70 commerce students and faculty members actively participated in the interactive session to clarify their queries regarding the profession and its future scope.

ASANSOL CHAPTER

Felicitation of Final Pass Students (June 2026 Term)

On August 9, 2026, the Chapter organized a felicitation ceremony at Vivekananda Hall, CMA Bhawan, Asansol, honoring students who passed the June 2026 Final exams. Key speakers, including Chairman CMA Jaydip Ghosal and Principal CMA Rambabu Pathak, encouraged all 50 attendees to continuously enhance their professional careers.

80th Independence Day Celebration

The chapter celebrated the 80th Independence Day on August 15, 2026, at the chapter premises with 20 attendees, including leadership, committee members, faculty, and office staff. The event focused on the theme "Freedom with Responsibility - Building a Viksit Bharat through Responsible Citizenship".

Felicitation of ICMAI and EIRC Dignitaries

On August 23, 2026, a felicitation event attended by 90 people was hosted at Hotel Ambassador Royale, Asansol, to honor the President and Vice President of ICMAI along with the EIRC office bearers. Under the banner "Leadership that Inspires - Professional Excellence that Transforms," the gathering celebrated leadership and service within the CMA community.

Continuing Professional Education (CPE) Seminar

A CPE seminar titled "Role of CMAs in Viksit Bharat 2047" took place on August 23, 2026, at Hotel Ambassador Royale with 40 participants. Led by ICMAI President CMA Chittaranjan Chattopadhyay and Vice President CMA Manoj Kumar Anand, the discussion centered on transitioning CMAs from traditional cost controllers to strategic nation builders driving sustainability, innovation, and strategic growth.

Glimpses of Eastern India Regional Council

Eastern India Regional Council

Eastern India Regional Council

Jamshedpur Chapter

Jamshedpur Chapter

Dhanbad Chapter

Dhanbad Chapter

South Odisha Chapter

South Odisha Chapter

Bhubaneswar Chapter

Bhubaneswar Chapter

Asansol Chapter

Asansol Chapter

NORTHERN INDIA REGIONAL COUNCIL

PATIALA CHAPTER

Chapter Felicitates ICMAI Leadership and Outlines Vision for the CMA Profession

On August 8, 2026, the Chapter hosted a felicitation program to honor newly elected President CMA Chittaranjan Chattopadhyay and Vice President CMA Manoj Kumar Anand for the 2026–27 Council Year. Guest of Honour CMA Gaurav Gulati (Director Finance, NSIC), along with Council Members and local Chapter office bearers, attended the event.

Key Highlights of the Event:

- **Felicitation & Chapter Achievements:** Chapter officials formally honored the central leadership, highlighting local progress, including increased student enrollments, improved exam results, professional development seminars, and student placement drives.
- **Support for MSMEs:** CMA Gaurav Gulati highlighted how CMAs can empower the MSME sector through cost management, financial discipline, pricing strategies, and compliance with government schemes.
- **Student Guidance:** CCM CMA Rajinder Singh Bhatti advised students to focus on conceptual clarity, disciplined study habits, and systematic revision rather than rote learning.
- **Digital Transformation & Education:** Vice President CMA Manoj Kumar Anand detailed ICMAI's initiatives toward digital infrastructure, curriculum modernization (incorporating data analytics, ESG, and forensic accounting), and practical training.
- **Global Vision & Emerging Areas:** President CMA Chittaranjan Chattopadhyay emphasized expanding the international recognition of the CMA qualification, leveraging opportunities in Global Capability Centres (GCCs), and mastering global areas like transfer pricing and IFRS.
- **Student Recognition:** The leadership presented awards and certificates to students who successfully cleared the ICMAI Intermediate and Final examinations.

The event concluded with a vote of thanks by CMA S.C. Arora and an interactive networking session, reinforcing the connection between ICMAI's national leadership and regional members.

KANPUR CHAPTER

Report on Cooperative Day 2026

On July 26, 2026, the Chapter hosted a Cooperative Day programme at Hotel Grand Geet to highlight the sector's vital role in driving India's vision of Viksit Bharat. The event convened professionals, leaders, and academicians to discuss how cooperatives empower farmers, women, and small entrepreneurs through equitable access to markets, finance, and technology. Speakers emphasized that integrating digital transformation, professional financial governance, and cost accounting practices is essential to enhancing the accountability, competitiveness, and sustainable growth of cooperative organizations nationwide.

Event on Corporate Mitra Scheme

On July 11, 2026, the Chapter organized an event on the Corporate Mitra Scheme at Kanpur Vidya Mandir Mahavidyalaya, inaugurated with a lamp lighting ceremony led by chapter office-bearers and Chief Guest CA Deep Misra. Secretary CMA Ajai Kumar Sharma and CA Deep Misra highlighted the scheme's strategic role in bridging the gap between industry and academia by offering corporate partners direct access to professional expertise, technical guidance, and training programs. The session underscored how Cost and Management Accountants drive cost efficiency, governance, and sustainable business growth, concluding with an interactive Q&A session and a vote of thanks by CMA R.K. Shukla to attendees, including esteemed members and CMA students.

JAIPUR CHAPTER

Chapter Students Achieve Outstanding Results in CMA June 2026 Examinations

The Chapter celebrated exceptional student performance in the June 2026 CMA Intermediate and Final examinations, securing an overall pass rate of 26.12% in Final and 49.62% in Intermediate. Announced by Jaipur Chapter Chairman CMA Deeptanshu Pareek, a total of 15 local students earned All India Ranks (AIR)-12 at the Final level and 3 at the Intermediate level-with 184 students completing the CMA Final and 158 completing the Intermediate exam. To honor these academic achievements, the Chapter hosted a felicitation ceremony at its Jhalana Doongri premises, where key office bearers, including Vice-Chairman CMA Harendra Kumar Pareek, Secretary CMA Purnima Goyal, and Treasurer CMA Dr. Deepak Kumar Khandelwal, awarded Certificates of Appreciation and commended the rank holders for their dedication and vital future contributions to the nation's economic growth.

Corporate Mitra Orientation Programme Successfully Organised at Chapter

On August 10, 2026, the Chapter hosted a hybrid Corporate Mitra Orientation Programme at its premises to help bridge the gap between academic learning and practical industry exposure. The event began with a welcome address by Chapter Chairman CMA Deeptanshu Pareek, followed by key insights from dignitaries-including Secretary CMA Purnima Goyal and Treasurer CMA Dr. Deepak Kumar Khandelwal—on the scheme's academic modules and on-the-job training. Dr. S. K. Gupta, MD of the Registered Valuers Organisation and Corporate Mitra Committee member, delivered a detailed online presentation explaining the initiative's core features, benefits, and career pathways. The interactive session concluded with active participation from offline and online candidates, reinforcing the Institute's commitment to enhancing practical career opportunities for aspiring professionals.

Heartfelt Thanks for Making Our Recent Programmes a Grand Success

The the Chapter expressed its sincere gratitude to members and their families for their overwhelming participation in a successful three-day series of events. The initiatives kicked off on August 14th with a career guidance webinar on "Resume Strategies for CMA Professionals" featuring experts CMA Harsha Phoolwani and CMA Sonali Agrawal, followed by an inspiring 80th Independence Day celebration on August 15th. The festivities concluded on August 16th with a CMA Members' Family Picnic at Heiwa Heaven Resort, which fostered community bonding and fun. Chapter leadership shared event photographs to commemorate these milestones and reaffirmed its commitment to building a stronger, vibrant CMA community through future engagements.

Career Counselling Initiatives of the Jaipur Chapter – August 2026

Throughout August 2026, the Chapter conducted a series of career counselling programmes across 13 schools and colleges in Jaipur and surrounding regions-including Parishkar PG College, S.S. Jain Subodh College, and various Adarsh Vidhya Mandir institutions-to raise awareness about the Cost and Management Accountancy (CMA) profession. Led by Chapter leaders and resource persons, including Chairman CMA Deeptanshu Pareek and Vice-Chairman CMA Harendra Kumar Pareek, the sessions guided students through the CMA academic structure, eligibility criteria, and practical training requirements while highlighting core career paths in cost management, strategic decision-making, and corporate finance. The Chapter extended its gratitude to participating faculties and host institutions for supporting these outreach efforts, reaffirming its commitment to guiding the next generation of financial professionals.

10-Day Industry Oriented Training Programme

The Chapter inaugurated a 10-Day Industry Oriented Training Programme (IOTP) at its premises to build practical competencies among CMA students and align theoretical learning with corporate expectations. Presided over by Jaipur Chapter Chairman CMA Deeptanshu Pareek, the event was graced by Chief Guest CMA Dr. B.L. Gupta, Former Examination Controller and Professor at the University of Rajasthan, and Guest of Honour CMA Rakesh Yadav, Chairman of the Northern India Regional Council (NIRC). Keynote speakers emphasized the critical role of hands-on industrial exposure in developing job-ready professionals, while Secretary CMA Purnima Goyal and Director of Coaching and Administration CMA S.L. Swami outlined the program's structured schedule designed to boost overall employability and skills.

Jaipur Center Achieves 79.32% Pass Rate in CMA Foundation June 2026 Exam

The Institute of Cost Accountants of India declared the June 2026 CMA Foundation exam results, with the Jaipur center recording an impressive 79.32%

pass rate as 422 out of 532 students successfully cleared the examination. Highlighted by Sonakshika Sharda achieving All India Rank (AIR) 7, top-10 merit rankers were honored alongside successful candidates and their parents at a felicitation ceremony organized by the Jaipur Chapter. During the event, NIRC Chairman CMA Rakesh Yadav and Chapter Chairman CMA Diptanshu Pareek praised the students' discipline and academic dedication, while Vice-Chairman CMA Harendra Kumar Pareek reminded candidates to complete their CMA Intermediate course registrations before the July 31, 2026 deadline to prepare for their next professional milestone.

CMA – Dialogue with Educators Outreach Program

The Chapter hosted "CMA – Dialogue with Educators," an outreach initiative that convened over 50 educational leaders-including school principals, directors, and professors-to promote commerce education and increase awareness of the CMA qualification. Led by Chief Guest CMA Rakesh Yadav (Chairman, NIRC) and Chapter Chairman CMA Deepanshu Pareek, the event aimed to equip teachers with essential course insights to better guide students after Class XII. During the keynote session, CMA Harendra Kumar Pareek presented the curriculum, eligibility, and lucrative career paths, noting average campus placements of ₹10 lakh per annum (up to ₹36 lakh per annum) along with expanded opportunities in GST practice, government roles, and corporate valuation. Treasured by Chapter leadership including Secretary CMA Purnima Goyal and Treasurer CMA Dr. Deepak Kumar Khandelwal, the event concluded with a vote of thanks by CMA Rakesh Sharma after awarding certificates of appreciation to all attending educators.

Industry Oriented Training Programme (IOTP) Concludes Successfully

The Chapter successfully held the valedictory ceremony for its 10-day Industry Oriented Training Programme (IOTP) for CMA Final students, conducted from July 4 to July 13, 2026. Beginning with a welcome address by Chapter Chairman CMA Deepanshu Pareek—who outlined the training's focus on technical modules, soft skills, and industry expert interactions—the event featured inspiring addresses from Chief Guest Shri Amit Goyal (Senior Audit Officer) and Guest of Honour Shri Ashok Khator (AVP, NAV). Both speakers urged students to embrace practical training as a cornerstone for building professional competence and contributing to the vision of Viksit Bharat. The ceremony concluded with the distribution of participation certificates alongside special awards for Best PowerPoint Presentation and Best Individual Performance, reinforcing the Institute's effort to align student capabilities with corporate standards.

Career Counselling Initiatives – July 2026

During July 2026, the Chapter conducted eight career counselling sessions across schools and institutions-including St. Joseph Convent School, Shree Gyan Jyoti School, and S.S.G. Pareek Senior Secondary School—to build awareness around the Cost and Management Accountancy (CMA) qualification. Led by Chapter leaders and resource persons, including Chairman CMA Deeptanshu Pareek, Vice-Chairman CMA Harendra Kumar Pareek, and NIRC Chairman CMA Rakesh Yadav, the sessions introduced students and faculty to the CMA course structure, dynamic career pathways, and the essential role of CMAs in today's business environment. The Jaipur Chapter expressed appreciation to its members for volunteering their expertise, reaffirming its commitment to expanding educational outreach and inspiring future financial professionals.

CSR Tree Plantation Drive Organized for Environmental Protection

On July 26, 2026, the Chapter, in collaboration with the Agadh Foundation, organized a CSR tree plantation drive at Durgapura, Jaipur, planting over 100 saplings to promote environmental conservation and green cover. Led by Chapter President CMA Deepanshu Pareek and coordinated by CMA Lokendra Bhatwari, the initiative saw enthusiastic participation from chapter leaders—including Secretary CMA Poornama Goyal, Director CMA S.L. Swami, and Executive Members—alongside members and their families. Emphasizing that environmental protection is a collective duty against climate change, CMA Deepanshu Pareek thanked the Agadh Foundation and participants, reaffirming the Chapter's ongoing commitment to sustainable development and building a cleaner, greener India.

Glimpses of Northern India Regional Council

Patiala Chapter

Patiala Chapter

Kanpur Chapter

Kanpur Chapter

Jaipur Chapter

Jaipur Chapter

Jaipur Chapter

SOUTHERN INDIA REGIONAL COUNCIL

CPE Programme on Professional Avenues and Virtual CFO Services

On August 1, 2026, the Practitioner's Committee of SIRC-ICMAI hosted a 2-hour CPE programme titled "Professional Avenues for CMAs in Practice & Virtual CFO Services" at CMA Bhawan, Egmore, Chennai. The event opened with traditional invocations, welcoming remarks by Vice Chairman CMA Rajesh Sai Iyer, and addresses from key SIRC and ICMAI leaders, alongside the honouring of new SIRC Office Bearers. Technical sessions led by CMA Dr. S. Subhashini (focusing on practicing opportunities) and CMA Ramya Parthasarathy (focusing on Virtual CFO Services) were followed by an interactive Q&A. The programme concluded with a vote of thanks by CMA K. Gomathisankar, the National Anthem, and dinner, awarding participants two CPE Credit Hours.

Inauguration of Oral Coaching Classes for December 2026 Examinations

On August 10, 2026, the SIRC inaugurated its Oral Coaching Classes for the December 2026 Examinations at Vani Mahal, Chennai, featuring Shri Sunil Bajpai, I.R.S., Principal Chief Commissioner of Income Tax (TN & Puducherry), as the Chief Guest. Following traditional invocations, lamp lighting, and an address by the Chief Guest, the event highlighted student achievement with the distribution of Endowment Prizes for top scorers in the December 2025 examinations, alongside the felicitation of faculty members. Key SIRC and ICMAI leaders, including CMA Rajesh Sai Iyer, CMA Y. Srinivasa Rao, CMA TCA Srinivasa Prasad, and CMA Dr. V. Murali, addressed the gathering to encourage the new batch. The formal announcement of class commencement starting August 12, 2026, was made before the event concluded with a vote of thanks by SIRC Secretary CMA Dr. Divya Abhishek, the National Anthem, and refreshments.

PD Programme on Emerging Professional Opportunities and Inclusive Growth

On August 13, 2026, the SIRC held a Professional Development (PD) Programme at The Presidency Club, Chennai, centered on emerging professional opportunities for CMAs and their role in Indian economic growth. The event featured addresses by SIRC leadership—including Chairman CMA Praveen Kumar, Vice Chairman CMA Rajesh Sai Iyer, Secretary CMA Dr. Divya Abhishek, and ICMAI Council Member CMA Dr. V. Murali—alongside a dedicated health and wellness session led by senior pulmonologist Dr. G. S. Kailash. Blending professional insights with member engagement, the evening included the felicitation of senior CMA members, a talent exhibition, quiz, games, and entertainment, concluding with the National Anthem and dinner.

80th Independence Day at CMA Bhawan

On August 15, 2026, the SIRC celebrated the 80th Independence Day with a National Flag Hoisting Ceremony at CMA Bhawan, Egmore, Chennai. SIRC Chairman CMA Praveen Kumar, Vice Chairman CMA Rajesh Sai Iyer, Secretary CMA Dr. Divya Abhishek, and ICMAI Council Members CMA TCA Srinivasa Prasad and CMA Dr. V. Murali attended alongside members and guests. Attendees paid respect to the National Flag while reaffirming their commitment to professional excellence, ethical values, and the CMA profession's contribution to national development. The patriotic event concluded at 9:00 AM with breakfast for all participants.

PD Webinar on Cost Audit in Practice and Industry Expectations

On August 24, 2026, the Professional Development Committee of SIRC-ICMAI hosted a virtual PD webinar titled "Cost Audit in Practice: Industry Expectations & Cost Auditor Perspectives" via Microsoft Teams, drawing over 150 members and offering 2 CPE Credit Hours. Following opening remarks by PD Committee Chairman CMA Vishwanath Bhat and SIRC Secretary CMA Dr. Divya Abhishek, technical sessions were delivered by CMA Ramsankar Mishra (MRPL) and practicing cost accountant CMA N. Ramaskanda. The speakers covered practical cost audit, record management, analytics, AI, and strategic cost management. The event concluded with an interactive Q&A session and a vote of thanks by CMA Vishwanath Bhat.

BENGALURU CHAPTER

Chapter Celebrates Cooperatives Day with Programme on Cooperative Audit

On August 1, 2026, the Chapter conducted a specialized programme on "Cooperatives Day" focusing on the theme "Cooperative Audit." The session featured resource person Mr. G. C. Janardhana alongside key dignitaries, including BCCA Chairman CMA Santosh G. Kalburgi, Vice-Chairman CMA Rajesh Devi Reddy, Secretary CMA Poornima M., Treasurer CMA Gunamala S. R., PF Chairman CMA Dr. Abhijeet S. Jain, and SIRC PD Chairman CMA Vishwanath Bhat. The programme delivered valuable professional insights into cooperative audit practices, emphasizing their essential role in enhancing transparency, accountability, and operational efficiency within cooperative institutions.

Chapter Inaugurates 120th Batch of Oral Coaching Classes

On August 8, 2026, the Chapter inaugurates its 120th batch of CMA Oral Coaching Classes at R.C. College, featuring Dr. Jalaja K. R. as the Chief Guest. The event opened with introductory remarks by BCCA Chairman CMA Santosh G. Kalburgi alongside office-bearers CMA Rajesh Devi Reddy, CMA Poornima M., and CMA Gunamala S. R., with addresses delivered by SIRC PF Chairman CMA Vishwanatha Bhat and ICMAI Former President CMA G. N. Venkataraman. Highlighting academic achievement, top performers from the December 2025 and June 2026 Intermediate and Final examinations received Endowment Prizes and mementos, marking an inspiring start for the new batch.

Chapter Commemorates 80th Independence Day with Indian Army Personnel

On August 15, 2026, the Chapter celebrated India's 80th Independence Day at its chapter premises with patriotic fervor. Chief Guest Mr. Akhilesh Puniputhoor from the Indian Army, accompanied by 15 defence personnel, delivered an inspiring address highlighting national service, patriotism, and the contributions of the armed forces. Key leadership present included BCCA Chairman CMA Santhosh G. Kalburgi, Vice Chairman CMA Rajesh Devi Reddy, Secretary CMA Poornima M, Treasurer CMA Gunamala S. R., SIRC PD Chairman CMA Vishwanatha Bhat, Former ICMAI President CMA G. N. Venkataraman, and Former BCCA Chairman Mr. Venkanna. The event brought together members and citizens to honor India's freedom fighters and reaffirm their commitment to national progress.

Chapter Conducts Workshop on Loan Recovery and GST Management in Cooperatives

On August 19, 2026, the Chapter, in association with Sahakara Bharathi (Bengaluru South), organized a workshop on "Loan Recovery & GST Management in Cooperative Institutions" at the Karnataka State Souharda Federal Co-operative Ltd., Bengaluru. Opened with welcome remarks by BCCA Chairman CMA Santosh G. Kalburgi, the event featured an inaugural address by Mr. Prabhudev M. R. and an overview of Sahakara Bharathi's contributions by Mr. Sateeshchandra. Technical sessions led by CMA Raveendranath Kaushik N and CMA T. K. Jagannathan provided practical insights on GST compliance and recovery mechanisms to over 90 participants. The successful knowledge-sharing event concluded with valedictory remarks by Sri Krishna Reddy, followed by lunch.

Tax Conclave 2026 Explores Evolving Landscape of Taxation

On August 22, 2026, the Chapter hosted Tax Conclave 2026, drawing over 250 members for a series of high-level sessions on tax developments. The event was inaugurated by ICMAI President CMA Chittaranjan Chattopadhyay, alongside Guest of Honour Shri D. Jagannatha Sagar, BCCA leadership (Chairman CMA Santosh G. Kalburgi, Vice Chairman CMA Rajesh Devi Reddy, Secretary CMA Poornima M, and Treasurer CMA Gunamala S. R.), and other senior dignitaries. Technical experts presented on critical topics: Shri D. Jagannatha Sagar and Shri Ritesh Kumar addressed AI scrutiny and GSTAT reforms in GST disputes; Shri K. M. Mahesh, IRS, detailed the New Income Tax Act, 2025; and Shri Suchint Majmudar (Deloitte) covered international taxation and transfer pricing trends. The enriching conclave concluded with a Members' Meet to foster professional networking.

TIRUCHIRAPALLI CHAPTER

80th Independence Day

On August 15, 2026, the Chapter celebrated the 80th Independence Day at its chapter premises at 8:00 AM. The ceremony commenced with the hoisting of the National Flag by Chapter Chairman CMA M. Mohanraja. Members of the fraternity, students, and staff gathered in large numbers to demonstrate their patriotic spirit and unity. The celebration concluded with the singing of the National Anthem, reflecting the community's deep respect and pride for the nation.

Chapter Hosts PD Program on Skill Development

On August 15, 2026, the Chapter organized a Professional Development (PD) program titled "SKILLS ARE THE REAL INDEPENDENCE" at its chapter premises from 8:30 AM to 11:30 AM. Following opening remarks by Chapter Secretary CMA A. Aarif Khan, Chief Guest Dr. M. Marimuthu, Assistant Professor & Head of the PG & Research Department of Commerce at Jamal Mohamed College, delivered an insightful address emphasizing the critical need for continuous PD programs, lifelong learning, and skill updates. The interactive session engaged participating members before concluding with a vote of thanks delivered by Chapter Treasurer CMA P. Manoharan.

TRIVANDRUM CHAPTER

Chapter Celebrates Onam Utsava '26

On August 16, 2026, the Chapter celebrated "Onam Utsava '26" at Freemasons Hall, Vazhuthacaud, Trivandrum. The festive event was graced by Chief Guest Shri V. V. Rajesh, Mayor of Thiruvananthapuram Corporation, and Guest of Honour CMA Vinayarajan P., ICMAI Central Council Member, alongside Chapter Chairman CMA Pranav Jayan, Vice Chairperson CMA Nisha Habi, Secretary CMA Sarat Nair U, Treasurer CMA Rejeesh V S, and Management Committee members. Bringing together members, families, students, and staff, the celebration featured traditional floral carpet *(Pookkalam)* creations, a *Thiruvathira* dance performance, cultural showcases, and traditional games highlighting Kerala's rich heritage.

Chapter Felicitates CMA B. V. Subramaniam for Academic Excellence

On August 16, 2026, the Chapter honored CMA B. V. Subramaniam during its Onam Celebration in recognition of his outstanding academic achievement. He was felicitated for securing First Rank in the Master of Business Laws (MBL) Degree Examination conducted by the University of Kerala in January 2026. The honor was presented by ICMAI Central Council Member CMA Vinayarajan P. and Trivandrum Chapter Chairman CMA Pranav Jayan, alongside Vice Chairperson CMA Nisha Habi, Secretary CMA Sarat Nair U, members, and students, highlighting his dedication and commitment to continuous learning.

Chapter Felicitates SIRC Chairman CMA Praveen Kumar

On August 2, 2026, the Chapter felicitated SIRC Chairman CMA Praveen Kumar at CMA Bhawan, Thiruvananthapuram, in recognition of his leadership and contributions to the Cost and Management Accountancy profession. Led by Chapter Chairman CMA Pranav Jayan alongside office bearers, the Chapter presented CMA Praveen Kumar with a memento to express gratitude for his continuous guidance and support. Attended by members, faculty, and students, the ceremony highlighted the Chapter's appreciation for exemplary professional leadership.

Chapter Celebrates 80th Independence Day with Armed Forces Personnel

On August 15, 2026, the Chapter hosted its Independence Day Flag Hoisting Ceremony at CMA Bhawan, Trivandrum, with personnel from the Indian Army and Navy (DGR Batch) in attendance. The National Flag was hoisted by Army Sub Shyjo Mathew Sir, bringing pride and solemnity to the national tribute. Chapter Chairman CMA Pranav Jayan and Secretary CMA Sarat Nair joined members, students, and staff to honor the sacrifices of freedom fighters and serving defence forces, fostering a shared sense of unity, patriotism, and professional responsibility toward the nation.

Chapter Hosts Convocation and Felicitation for June 2026 Examination Achievers

On August 15, 2026, the Chapter conducted its Convocation and Felicitation Ceremony at TCCI Hall, Kowdiar, honoring 30 CMA Final qualified students and 19 CMA Intermediate passed students from the June 2026 Examination. Presided over by Chapter Chairman CMA Pranav Jayan, the event featured Chief Guest Shri S. N. Raghuchandran Nair, President of the Trivandrum Chamber of Commerce & Industry, who urged graduates to maintain high ethical standards. A major highlight was the presentation of the CMA A K Suresh Memorial Endowment Cash Prizes to Intermediate and Final toppers by Smt. A K Sukeshini in memory of Late CMA A K Suresh, celebrating student excellence alongside faculty, parents, and members.

Professional Development Programme on Virtual CFO

The Chapter hosted a Professional Development Programme on August 2, 2026, titled “Virtual CFO: From Finance Professional to Strategic Business Advisor.” Held at CMA Bhawan, the technical session was led by CMA George P. Mathew, Chairman of the Cochin Chapter, who highlighted the strategic role of modern finance leaders. The event opened with a welcome address by Chapter Chairman CMA Pranav Jayan and concluded with a vote of thanks from Secretary CMA Sarat Nair U.

VISAKHAPATNAM CHAPTER

Chapter Celebrates 80th Independence Day

On August 15, 2026, the Chapter celebrated India's 80th Independence Day at CMA Bhawan, Visakhapatnam. The event featured Chapter Chairperson CMA V. Shanti Sireesha addressing the assembled gathering of members and guests, commemorating the occasion with national pride and highlighting the spirit of unity and professional commitment.

Chapter Hosts 116th Batch Inauguration and Student Felicitation

On August 9, 2026, the Chapter organized a student program featuring the inauguration of the 116th session of classes alongside a felicitation ceremony for students who passed the June 2026 examinations. Motivational speaker Lion D. V. S. Raju (Ramesh) served as the Chief Guest for the occasion. The event was conducted in the presence of Chapter Chairperson CMA V. Shanti Sireesha, Vice-Chairperson CMA M. Himabindu, and Past Chairman CMA U. Prakash, with active participation from chapter members and students to encourage and inspire the new batch.

Chapter Conducts PD Programme on Commercial Operations in Defence PSUs

On August 1, 2026, the Chapter organized a Professional Development (PD) programme titled "Commercial Operations in Large Manufacturing & Defence PSUs – Role of Finance and Cost Management" at its chapter premises. Sri D. Srinivasa Rao, Chief General Manager (Commercial) at Hindustan Shipyard, Visakhapatnam, served as the key speaker, sharing valuable insights on financial strategies and cost control in large-scale defense operations. The session was attended by Chapter Chairperson CMA V. Shanti Sireesha, Secretary CMA Venkatesh Nadipalli, and participating chapter members.

SALEM CHAPTER

Chapter Celebrates 80th Independence Day with DGR Course Jawans

The Chapter celebrated the 80th Independence Day with great enthusiasm and patriotic spirit at the chapter premises. A highlights of the celebration was the participation of 23 Jawans currently pursuing the Certificate in Accounting Technicians (CAT) course under the Directorate General Resettlement (DGR) project. The event brought together chapter members, students, and defence personnel to honor the nation's independence and acknowledge the service of the armed forces.

THRISSUR CHAPTER

Chapter Conducts Webinar on Startup Valuation and Investment Banking Opportunities

On July 9, 2026, the Chapter organized a webinar titled "Decoding Start Up Valuation and Fund Raising, Opportunities for CMAs in Investment Banking." The technical session was delivered by CS Manu Francis, Founder & CEO of GHC Growth Lab and Investment Banker, who provided actionable insights into valuation metrics, fundraising dynamics, and emerging career avenues for Cost and Management Accountants within the investment banking domain.

Chapter Honors Top-Performing Commerce Students at Felicitation Ceremony

On July 12, 2026, the Chapter hosted a felicitation ceremony at its Seminar Hall to honor approximately 40 Commerce stream students from Thrissur District who achieved a perfect 'Full A+' in their board examinations. Following a welcome address by Chapter Secretary CMA P. V. Antony, the event was formally inaugurated by Chief Guest Mr. A. Prasad, Deputy Mayor of Thrissur Municipal Corporation, alongside guest speeches by Mr. Byju Antony and Mr. Cibin Lazar. During the session, CMA A. P. Madhu, Chairman of the Professional Development Committee, delivered an educational address on career opportunities in Cost and Management Accounting and global financial consultancy. The ceremony concluded with a vote of thanks proposed by CMA Mejo K. M, Chairman of the Students Welfare Committee.

Chapter Organizes Webinar on GST in Real Estate and Works Contracts

On July 25, 2026, the Chapter conducted a technical webinar titled "GST ON REAL ESTATE & WORKS CONTRACTS: Complexities in Valuation, Transitional Credits & Treatment of Joint Development Agreements." The technical session was delivered by expert speaker Adv. (CMA) Ramesh Kumar M.N., who addressed intricate valuation issues, transitional credit mechanisms, and the legal and tax treatment of Joint Development Agreements under the GST framework for professional accountants and practitioners.

Chapter Honors SIRC Chairman CMA Praveen Kumar at Felicitation Ceremony

On July 26, 2026, the Chapter hosted a felicitation ceremony at Hotel Ashoka Inn, Thrissur, to honor CMA Praveen Kumar on his election as Chairman of the Southern India Regional Council (SIRC). Following opening remarks by Chapter Vice Chairman CMA C N Narayanan and a presidential address by Chapter Chairman CMA Vinod T V, the event was inaugurated by Guest of Honour CA Unnikrishnan I, MD & CEO of Yogakshemam Loans Ltd. Following introductions by CMA A. P. Madhu, the Chapter presented CMA Praveen Kumar with a memento, Ponnada, and Citation of Honour in recognition of his leadership. Key chapter leaders and past office bearers offered felicitations before the ceremony concluded with a response from CMA Praveen Kumar and a vote of thanks by CMA Mejo K M.

Chapter Conducts Study Circle Meeting on Financial Education for Adults

On July 26, 2026, the Chapter, in association with the National Centre for Financial Education (NCFE), organized a study circle meeting for CMA Intermediate students on the topic "Financial Education Programme for Adults (FEPA)." The session was led by resource person Mr. Subramanian K. R., former Assistant Manager at Indian Overseas Bank and NCFE Financial Education Trainer. The programme focused on equipping students with essential insights into financial literacy, personal finance management, and banking dynamics.

Chapter Organizes Interactive Session on Professional Studies for Intermediate Students

On July 26, 2026, the Chapter conducted an interactive session on Professional Studies for its CMA Intermediate oral coaching students. The session was led by resource person CMA Surya Prakash, Vice Chairman of the ICMAI Coimbatore Chapter. The interactive meeting provided students with actionable study strategies, subject-wise focus techniques, time management guidance, and practical training compliance requirements while bridging academic concepts with corporate expectations and career pathways in management accounting.

COCHIN CHAPTER

Chapter Hosts PD Programme on Navigating the Income-tax Act, 2025

On June 11, 2026, the Chapter organized a

Professional Development Programme titled "Navigating the Contours of Income-tax Act, 2025" at CMA Bhavan, Cochin. Following welcome remarks by Chapter Chairperson CMA George P. Mathew and an introduction by Vice Chairperson CMA Arun Kumar S., the technical session was delivered by Chief Guest Shri Reghu M., IRS, Joint Commissioner of Income-tax (International Taxation), Kochi. The session offered a comprehensive breakdown of the new legislative framework, key provisions, and practical implementation challenges, complemented by an interactive Q&A session. The programme concluded with a vote of thanks proposed by Chapter Secretary CMA Minusri S.

Chapter Hosts Half Day PD Programme on The Financial Reporting Trinity

On June 27, 2026, the Chapter conducted a Half Day Professional Development Programme titled "The Financial Reporting Trinity" at CMA Bhavan, Ernakulam. Chapter Chairperson CMA George P. Mathew delivered the welcome address, followed by an introduction of the speaker by CMA Meena George, Chairperson of the PD Committee. Resource person CMA Ramsankar Mishra, Senior Manager (Finance) at Mangalore Refinery and Petrochemicals Limited (MRPL), led the technical session covering core pillars of financial reporting, regulatory compliance, and best practices for accuracy and transparency in corporate financial statements. The programme concluded with a vote of thanks proposed by Chapter Secretary CMA Minusri S.

Chapter Conducts Pre-Placement Training Programme for Campus Placement Candidates

On July 16, 2026, the Chapter conducted a Pre-Placement Training Programme at CMA Bhavan, Ernakulam, for candidates shortlisted for the upcoming Campus Placement Drive. The intensive session was led by corporate trainer Shri Salu Muhammed, who guided participants on interview techniques, professional etiquette, resume presentation, body language, and effective communication skills. The program featured interactive discussions and mock interview exercises designed to build student confidence and align their preparation with corporate expectations. The initiative successfully equipped aspiring Cost and Management Accountants with essential employability skills ahead of their recruitment interviews.

Chapter Successfully Organizes July 2026 Campus Placement Drive

On July 17, 2026, the Chapter, in association with the Directorate of Career Counselling and Placement (DCCP), ICMAI, hosted a Placement Drive at CMA Bhavan, Ernakulam, for newly qualified CMAs and professionals with up to two years of experience. The drive saw participation from nine prominent companies—including Deloitte, Conduent, CSB Bank, ICICI Bank, Asirvad Microfinance, Cavli Wireless, Preface Venture, Pearl Data Direct, and Amphenol—offering over 60 career opportunities across finance, taxation, audit, and banking. Out of 242 shortlisted candidates, around 40 received immediate placement offers following rigorous evaluation rounds, with several others shortlisted for final interviews, marking a successful outcome for the chapter's industry-institute collaboration efforts.

Chapter Inaugurates 106th Academic Session for CMA Foundation, Inter, and Final Batches

On July 29, 2026, the Chapter inaugurated its 106th session for Foundation, Intermediate, and Final batches at CMA Bhavan, Ernakulam. The ceremony commenced with the lighting of the lamp by Chapter Chairperson CMA George P. Mathew, who delivered the inaugural address encouraging students to uphold professional ethics and commit to academic excellence. Chapter Secretary CMA Minusri S. and Treasurer CMA Renjini R. offered felicitations, wishing the new cohort success. The program included interactions between students, parents, and faculty members, setting a strong foundation for the upcoming academic cycle.

Chapter Hosts Valedictory Function for CAT DGR Defence Programme

On July 29, 2026, the Chapter held the Valedictory Function and Certificate Distribution Ceremony for the Certificate in Accounting Technicians (CAT) DGR Programme at CMA Bhavan, Ernakulam. The program, which ran from April 13 to July 31, 2026, provided specialized accounting and management training to 43 defense personnel from the Army, Navy, and allied defense services to facilitate their post-service career resettlement. Chapter Chairperson CMA George P. Mathew delivered the welcome address, while Secretary CMA Minusri S. and Treasurer CMA Renjimol R. felicitated the gathering and presented the course completion certificates to the successful candidates.

COIMBATORE CHAPTER

Chapter Conducts Swearing-in Ceremony for Newly Elected Committee Members

On August 1, 2025, the Chapter hosted its Swearing-in Ceremony at Hotel Park Elanza, marking the formal assumption of office by the newly elected Committee Members. The event was attended by chapter members and dignitaries, serving as the official transition of administrative responsibilities. As part of the formal proceedings, the outgoing committee handed over the financial accounts and operational duties to the incoming team, establishing a seamless administrative transition and setting the direction for the chapter's growth and development under its new leadership.

Coimbatore Chapter Conducts Career Counselling Programme at Stanes Higher Secondary School

On August 4, 2026, the Chapter organized a Career Counselling and Orientation Programme for students at Stanes Anglo Indian Higher Secondary School, Coimbatore. The session was conducted by CMA Maheswaran R., Chairman of the Infrastructure Committee, who delivered a presentation on strategic career planning and detailed the academic pathways, career prospects, and professional benefits of the Cost and Management Accountancy (CMA) course. Supported by Principal Sri P. A. John Stephen and Vice Principal & HOD of Mathematics Dr. V. Divakaran, the interactive orientation guided students on making informed choices for their future professional pursuits.

Chapter Conducts Career Counselling Programme at Sri Ramakrishna College for Women

On August 5, 2026, the ICMAI Coimbatore Chapter organized a Career Counselling and Orientation Programme for the students of Sri Ramakrishna College of Arts and Science for Women, Coimbatore. The session was led by CMA Surya Prakash U., Chairman of the ICMAI Coimbatore Chapter, who provided detailed guidance on the career opportunities, strategic scope, and professional growth offered by the Cost and Management Accountancy (CMA) qualification. The interactive session aimed to raise awareness among young aspirants, helping them make informed choices regarding their higher education and long-term career pathways in finance and management accounting.

Chapter Convenes Faculty Meeting to Review Coaching Operations

On August 8, 2026, Chapter convened a Faculty Meeting at its chapter premises, chaired by Chapter Chairman CMA Surya Prakash U., with 10 faculty members in attendance. The meeting focused on reviewing academic progress and optimizing coaching class operations. Discussions covered the evaluation of study materials, faculty punctuality, lesson-wise testing, schedule structuring, weekend classes, and targeted fast-track revision sessions for re-appearing students. The session facilitated direct feedback from faculty to enhance teaching methodologies and improve student outcomes.

Chapter Felicitates 40 Newly Qualified CMA Final Candidates

On August 8, 2026, the Chapter hosted a Felicitation Ceremony to honor 40 candidates who successfully passed the CMA Final examination. The ceremony was led by Chapter Chairman CMA Surya Prakash U., Secretary CMA (Dr.) Prakash P., and Managing Committee Member CMA Subramaniam Kumar. The dignitaries commended the new professionals for their hard work and perseverance, extending their best wishes for successful corporate careers while encouraging aspiring students within the chapter to maintain high academic standards.

Chapter Conducts Career Counselling Programme at R.D. College, Perundurai

On August 11, 2026, the Chapter organized a Career Counselling Programme (CCP) for students at R.D. College of Commerce and Professional Studies, Perundurai. The session was conducted by CMA Maheswaran R., Chairman of the Infrastructure Committee, who presented the strategic advantages of professional qualifications, focusing specifically on the CMA course. He highlighted the scope, career prospects, and industry demand for management accountants across various corporate sectors. The interactive session provided practical clarity to help students make informed choices for their higher education and career development.

Chapter Celebrates 80th Independence Day

On August 15, 2026, the Chapter celebrated India's 80th Independence Day with patriotic enthusiasm at its chapter premises. The National Flag was hoisted by Chapter Chairman CMA Surya Prakash U., followed by the singing of the National Anthem. The event brought together around 30 participants, including CAT DGR students, chapter members, and student candidates. In his address, the Chairman emphasized the vital role of young finance professionals in contributing to economic growth, national development, and ethical service.

Chapter Holds Study Circle Meeting on Professional Developments

On August 15, 2026, the Chapter conducted a Study Circle Meeting led by Chapter Chairman CMA Surya Prakash U., with 13 members in attendance. The meeting provided a collaborative platform for professional knowledge sharing, allowing participants to discuss emerging trends and key developments within the Cost and Management Accountancy field. The interactive session highlighted the chapter's ongoing focus on continuous learning and professional development for its members.

Chapter Organizes Two-Day Knowledge Camp at Royal Castle Resort

On August 15 and 16, 2026, the Chapter hosted a two-day Knowledge Camp at the Royal Castle Resort, bringing together 24 members and students. Organized under the guidance of Chapter Chairman CMA Surya Prakash U., the program focused on continuous professional learning, interactive knowledge sharing, and peer networking. The camp featured structured discussions on professional experiences alongside informal networking sessions, designed to build collaboration between seasoned practitioners and student members while broadening their professional perspectives.

Chapter Felicitates 50 Intermediate Qualified Students

On August 20, 2026, the Chapter hosted a Felicitation Ceremony to honor 50 students who successfully cleared the CMA Intermediate examination, with their parents in attendance. The event was led by Chapter Chairman CMA Surya Prakash U., Secretary CMA (Dr.) Prakash P., Managing Committee Member CMA Subramaniam Kumar, CMA Meena Ramji, and CMA Subbaraman. The dignitaries commended the achievers for their dedication, highlighted the essential support provided by their families, and encouraged the students to maintain their momentum as they prepare for the CMA Final examination.

Chapter Delegates Attend 9th Kerala State Cost Convention

On August 21, 2026, representatives from the Chapter, including Chapter Chairman CMA Surya Prakash U. and Managing Committee Member CMA Subramaniam Kumar, attended the 9th Kerala State Cost Convention in Cochin. Centered on the theme *"India in Command: Navigating a Volatile World,"* the event served as a platform for strategic knowledge sharing and inter-chapter collaboration. Discussions highlighted the evolving macroeconomic environment, emerging corporate challenges, and the strategic leadership role of Cost and Management Accountants in guiding organizations through global market volatility.

Chapter Delegates Attend Tax Conclave 2026 & Members Meet in Bengaluru

On August 22, 2026, representatives from the Chapter—including Vice Chairman CMA Hariharasubramaniam and Secretary CMA (Dr.) Prakash P.—attended the Tax Conclave 2026 and Members Meet in Bengaluru. Centered on the theme *"Navigating the New Direct and Indirect Tax Landscape,"* the conclave addressed key regulatory updates, emerging compliance standards, and business implications under evolving taxation frameworks. The concurrent Members Meet provided a platform for networking, experience sharing, and technical collaboration among participating professionals across the region.

RANIPET-VELLORE CHAPTER

Celebrates 80th Independence Day and Felicitates June 2026 Examination Achievers

On August 15, 2026, the Chapter celebrated India's 80th Independence Day at its chapter premises in the presence of members, faculty, students, and staff. The National Flag was hoisted by Senior Member CMA S. Sezlian, followed by patriotic songs and greetings from the Management Committee. As part of the proceedings, the chapter conducted a Student Felicitation Ceremony to honor candidates who successfully cleared the June 2026 examinations. Medals and awards were presented to the achievers by Chapter Chairman CMA R. Manoharan, Secretary CMA Govarthan Reddy, Treasurer CMA V. Lokesh, and CMA S. Sezlian, integrating national celebrations with academic recognition.

Glimpses of Southern India Regional Council

Southern India Regional Council

Southern India Regional Council

Bengaluru Chapter

Bengaluru Chapter

Tiruchirapalli Chapter

Tiruchirapalli Chapter

Trivandrum Chapter

Trivandrum Chapter

Visakhapatnam Chapter

Visakhapatnam Chapter

Salem Chapter

Thrissur Chapter

Thrissur Chapter

Cochin Chapter

Cochin Chapter

Coimbatore Chapter

Coimbatore Chapter

Ranipet-Vellore Chapter

WESTERN INDIA REGIONAL COUNCIL

PIMPRI CHINCHWAD CHAPTER

CPE Webinar on Financial Distress and Firm Running Costs

On Friday, June 26, 2026, the Chapter hosted a successful CPE webinar titled "Does Financial Distress Increase the Cost of Running a Firm? A Multi-Dimensional Review." Welcomed by CMA Sagar Malpure, keynote speakers Dr. CMA Jayanta Kumar Seal and Ms. Diya Mukherjee from IIFT Kolkata delivered an insightful session exploring how financial distress impacts operational efficiency, financing costs, stakeholder trust, and overall business sustainability. The interactive event brought together finance professionals, academicians, and students to discuss early risk detection and mitigation strategies, concluding with a vote of thanks delivered by CMA Dhananjay Kumar Vatsyayan.

GST Elevate 2026 Series

From July 1 to July 6, 2026, the Chapter, in collaboration with the Department of Goods and Services Tax (Government of Maharashtra) and the Maharashtra Tax Practitioners' Association (MTPA), hosted a comprehensive six-day CPE series titled "GST Elevate 2026 – Mastering Compliance, Appeals & Automation_R1." Across six distinct sessions, domain experts and judicial representatives addressed key operational, legal, and technological facets of the GST framework for a diverse audience of cost accountants, tax practitioners, industry leaders, and students.

- **Day 1: Litigation Journey (July 1, 2026):** CMA Manoj Malpani provided a detailed overview of the GST litigation lifecycle—from notice issuance to adjudication and appeals—focusing on procedural compliance, documentation, and best practices before tax authorities.
- **Day 2: GSTAT Structure & Powers (July 2, 2026):** CMA (Dr.) Anil Sharma examined the Goods and Services Tax Appellate Tribunal's organizational structure, jurisdiction, documentation timelines, and litigation strategies for tribunal representations.
- **Day 3: Judicial Outreach Seminar (July 3, 2026):** Held at GST Bhavan, Pune, this flagship offline seminar brought together

GSTAT members, State GST leadership, and trade experts. Adv. Sandeep Sachdeva and key dignitaries highlighted collaborative dispute resolution, judicial perspectives, and transparent stakeholder engagement.

- **Day 4: Landmark Case Laws (July 4, 2026):** CMA B. Mallikarjuna Gupta analyzed critical judicial pronouncements under GST, emphasizing their practical implications on assessments, audits, and daily professional practice.
- **Day 5: Automation & Compliance (July 5, 2026):** CMA Mahendra Bhombe detailed the role of digital transformation, ERP integration, automated reconciliations, and analytics in minimizing manual errors and streamlining e-invoicing and compliance processes.
- **Day 6: Input Tax Credit Management (July 6, 2026):** CMA Guruprasad Kulkarni closed the series by covering the evolving ITC framework, GSTR-2B reconciliations, blocked credits under Section 17(5), and strategies to mitigate ITC litigation risks.

80th Independence Day Flag Hoisting Ceremony

On Saturday, August 15, 2026, the Chapter celebrated India's 80th Independence Day at CMA Bhawan, Pimpri, bringing together members, students, and faculty in patriotic honor. Chief Guest Captain Rajendra Pralhad Shelke unfurled the National Flag and delivered an inspiring address on patriotism, discipline, and dedication to nation-building. Key chapter members—including CMA Kunal Wakte, CMA Ajit Shinde, CMA Guruprasad Kulkarni, CMA Sagar Malpure, and CMA Amit Bhise—also addressed the gathering, emphasizing professional ethics, continuous learning, and the role of cost accountants in driving economic progress.

BARODA CHAPTER

Income Tax Outreach Programme

On Thursday, August 20, 2026, the Chapter, in collaboration with the Income Tax Department, conducted an Income Tax Outreach Programme. The session aimed to create awareness regarding recent tax reforms, procedural compliance updates, and digital facilitation tools designed to simplify tax filings. Featuring technical guidance from senior officials and tax experts, the interactive event provided cost accountants, tax practitioners, and stakeholders with valuable insights into risk mitigation, smooth compliance transitions, and effective tax management.

Career Fair: Anand Vidya Vihar School, Gotri

On August 8, 2026, the Chapter Chapter participated in the career fair "Aamantran – Where Careers Take Off," hosted by Anand Vidya Vihar School, Gotri. Representing the chapter, Vice-Chairman CMA Priyank Vyas, Secretary CMA Vandit Trivedi, CMA Hirav Shah, and Mr. Ritesh Dabgar engaged with students and parents to provide comprehensive guidance on career prospects and professional opportunities within the Cost and Management Accountancy (CMA) field in India.

CPE Webinar on AI-Powered Professionals

On Thursday, August 13, 2026, the Chapter organized an online CPE webinar titled "AI-Powered Professionals," which drew 63 members and students. Following opening remarks by CMA Vandit Trivedi, expert speaker CA Gaurav Sharma delivered a technical session focused on practical AI tools, real-life applications, effective prompting techniques, and workflow integration for everyday professional tasks. The 2 CPE hour session concluded with a formal vote of thanks presented by CMA Vandit Trivedi.

80th Independence Day Celebration

On August 15, 2026, the Chapter celebrated India's 80th Independence Day with active participation from leadership, members, and students. The ceremony featured the unfurling of the National Flag led by Chapter Chairperson CMA Amruta Vyas, as attendees gathered to honor the nation's freedom fighters. The event concluded with the singing of the National Anthem and a collective pledge reaffirming dedication to unity, national development, and professional service.

CPE Regional Outreach Programme on the Income Tax Act, 2025

On Thursday, August 20, 2026, the Tax Research Department of ICMAI, in collaboration with the Income Tax Department (Vadodara) and the ICMAI Baroda Chapter, organized a full-day CPE Regional Outreach Programme on the "Income Tax Act, 2025" at GETRI, Vadodara. Attended by over 125 cost accountants and tax professionals, the event opened with a welcome address by Chapter Chairperson

CMA Amruta Vyas, alongside key addresses by Chief Guest Shri Virendra Ojha (CCIT, Vadodara) and Guest of Honour Shri Chandrajit Singh (PCIT, Vadodara) on digital-first compliance and taxpayer services. Technical sessions led by Dr. CMA CA Pradeep G Tulsian and CA Prashant Upadhyay delivered detailed analyses of structural legal changes and practical tax planning strategies, concluding with a formal vote of thanks by Secretary CMA Vandit Trivedi.

Stone Laying Ceremony for the New Baroda CMA Bhawan

The Chapter officially conducted the foundation stone laying ceremony *(shilanyas)* for its new CMA Bhawan in Bhayli, Vadodara, representing an estimated investment of ₹8 crore. Attended by ICMAI President CMA Chittaranjan Chattopadhyay, Past President CMA Ashwin Dalwadi, and ICMAI Secretary CMA (Dr.) Debaprosanna Nandy, the event marked the launch of a modern facility designed to accommodate up to 800 students simultaneously for the next 50 years. Chapter Chairperson CMA Amruta Vyas noted that construction is targeted for completion within two years, providing a new home for the chapter's growing student body with key features including three spacious classrooms, an auditorium, computer lab, and a modern library.

ICMAI Baroda Chapter Convocation Ceremony 2026

On Thursday, August 20, 2026, the Chapter held its Convocation Ceremony at the Gujarat Energy Training & Research Institute (GETRI) in Vadodara to felicitate 44 graduates from the June 2026 CMA Final batch. Graced by institute leaders including ICMAI President CMA Chittaranjan Chattopadhyay, ICMAI Secretary CMA (Dr.) Debaprosanna Nandy, WIRC-ICMAI Chairman CMA Mahendra Bhombe, and Immediate Past Chairman CMA Mihir Vyas, the event featured inspiring addresses on strategic financial governance, ethics, and career planning. Outfitted in traditional convocation regalia, the newly qualified Cost and Management Accountants also participated in a technical workshop on the Income Tax Act, 2025, marking their formal entry into the profession.

AI Masterclass Workshop for Finance and Business Professionals

On August 22–23, 2026, the Chapter hosted a two-day hands-on workshop titled "AI Masterclass: Practical Generative AI for Finance, Accounting & Business Professionals" at Vanijya Bhavan, Vadodara, drawing over 40 members and corporate delegates. Following a welcome address by Vice-Chairman CMA Priyank Vyas, the sessions covered foundational AI concepts and prompt engineering by CMA CA CS Milind Joshi, advanced tool workflows for finance by CA Vinit Shah, and AI applications for cost sheets and records analysis led by CMA Hirav Shah. The event concluded with an interactive Q&A and a formal vote of thanks delivered by Chapter Chairperson CMA Amruta Vyas.

ICMAI Baroda Chapter Convocation Ceremony 2026

On August 23, 2026, the Chapter hosted its Convocation Ceremony at Vanijya Bhavan, Vadodara, bringing together over 250 students and parents to celebrate achievements across various stages of the CMA curriculum. Featuring Chief Guest CMA Dhwanee Buch (CFO, Cosmos Group) alongside industry speakers CMA Hardik Diwanji (CFO, Xylem) and CMA Kartik Vasavada (Alembic Group), the event delivered inspiring career guidance to attendees. The ceremony formally felicitated Foundation top 10 rankers, Intermediate group completers, and Final students who cleared single groups, recognizing their academic dedication and professional progress.

CAT Course Commencement for Armed Forces Personnel

Under Course No. 255-08-2026, the Certificate in Accounting Technicians (CAT) course officially commenced at the Chapter, welcoming 46 registered candidates from the Indian Army, Indian Navy, and Indian Air Force. Organized by the Directorate of CAT under ICMAI in coordination with the Directorate General Resettlement (DGR), Ministry of Defence, the program runs from August 24 to December 11, 2026. Led by ICMAI national leadership—including President CMA Chittaranjan Chattopadhyay, Vice President CMA Manoj Kumar Anand, CAT Chairman CMA Rajendra Singh Bhati, and Baroda Chapter Chairperson CMA Amruta Vyas—this specialized initiative equips armed forces personnel with essential accounting and employable skills to facilitate a seamless transition into civilian professional careers.

Placement and Training Activities

The Chapter actively organized comprehensive placement and training programs designed to enhance the employability of aspiring professionals. These dedicated initiatives successfully connected numerous students and chapter members with valuable career opportunities, reinforcing the chapter's commitment to bridging academic learning with industry requirements.

AHMEDABAD CHAPTER

CPE Webinar on Legal Strategies for Recovery of Business Dues

On July 31, 2026, the Chapter hosted a CPE webinar titled "Legal Strategies for Recovery of Business Dues – From Demand Notice to Decree," featuring CS Jignesh Shah as the guest speaker. Coordinated and introduced by CMA Ashish Bhavsar (Coordinator – P D Committee), the session provided participants with a detailed presentation on statutory remedies, legal frameworks, and procedural pathways for managing commercial debt recovery. The well-attended online event concluded with an interactive Q&A session, enabling members to resolve practical compliance and litigation queries.

Press Meet for June 2026 Intermediate and Final Examination Results

On August 5, 2026, the Chapter hosted a Press Meet featuring reporters from leading print and electronic media outlets to declare the results of the June 2026 CMA Intermediate and Final examinations. Chapter Chairman CMA Mitesh Prajapati addressed the gathering, announcing strong chapter pass rates of 32.38% for Intermediate and 44.39% for Final, with 99 students completing the Intermediate level and 58 qualifying as full CMA professionals. The event included media interviews with top-performing students and remarks from the Chairman highlighting the high educational standards of the chapter's faculty and the growing dedication to the management accounting profession.

CPE AI Mastery Workshop for CMAs: Prompt to Possibilities

On August 8–9, 2026, the Chapter conducted a two-day CPE workshop titled "Prompt to Possibilities – AI Mastery Workshop for CMAs" (Level 1, 3rd Batch) to train cost accountants in practical artificial intelligence application. Welcomed by Chapter Chairman CMA Mitesh Prajapati, the workshop opened on Day 1 with CA Fenil Shah covering the Generative AI landscape and core prompt engineering techniques for daily analytical tasks. On Day 2, CA Bhavesh Sharma demonstrated AI integration for audit sampling and compliance verification in cost audit, while CA Harshid Patel presented methods for leveraging AI in legal research, tax notice drafting, and litigation management across GST and Income Tax practices.

Campus Placement Initiative with National Dairy Development Board

On August 13, 2026, the Chapter conducted a campus placement drive in collaboration with the National Dairy Development Board (NDDB) for newly qualified CMA Final candidates. Over 40 candidates participated in the process, which opened with an address and felicitation of NDDB representatives by Chapter Chairman CMA Mitesh Prajapati. Following a competitive shortlisting process and written assessment, three fresh CMAs—Ms. Maitri Parmar, Mr. Daxant Suthar, and Ms. Mahek Modi—were successfully selected for the position of Deputy Manager (Accounts) at an impressive package exceeding ₹16 LPA. This milestone achievement sets a strong benchmark for aspiring Cost and Management Accountants and highlights growing career opportunities within the PSU and dairy sectors.

Valedictory Session of CAT Batch (Course No. 82-04-2026)

On August 14, 2026, the Chapter held the valedictory session for the Certificate in Accounting Technicians (CAT) batch (Course No. 82-04-2026). Chapter Chairman CMA Mitesh Prajapati delivered the welcome address and provided an overview of the CAT program's role in professional development. Joining via video conference, Chief Guest Commander Rahil Rai and Assistant Director Mr. Varun Joshi addressed the gathering, with Commander Rai highlighting the strategic value of the course for long-term career growth. The event saw enthusiastic attendance, featuring the formal distribution of participation certificates to attendees and concluding with a vote of thanks proposed by CMA Mitesh Prajapati.

80th Independence Day Celebration & CMA Green Walk

On August 15, 2026, the Chapter celebrated India's 80th Independence Day with a series of vibrant community events led by Chairman CMA Mitesh Prajapati, Secretary CMA Sunil Tejwani, and chapter office bearers. The day opened at 8:00 AM with a ceremonial flag hoisting and National Anthem at the chapter premises, attended by members, students, staff, and defense personnel. This was followed by the "CMA Green Walk," where over 350 participants marched along a designated circuit carrying posters advocating for a green environment, green finance, and a sustainable economy. The celebrations concluded with a prize distribution ceremony honoring the top five winners of the "Green India – Freedom to Grow, Responsibility to Sustain" poster competition, with Dharmesh Parmar securing the 1st prize.

Interaction with CBIC Officers at GST Bhavan

On August 19, 2026, representatives from the Chapter—including Chairman CMA Mitesh Prajapati, Treasurer CMA Bhavesh Ramchandani, and Member CMA Ashish Bhavsar—met with key officials of the Central Board of Indirect Taxes and Customs (CBIC) at GST Bhavan, Ahmedabad. The chapter delegation engaged in a productive dialogue with Shri Shailendra Kumar Sinha (Director General, DGTS) and Shri Amarjeet Singh (ADG, DGTS) focused on enhancing industry-government collaboration. Discussions centered on trade facilitation, ease of doing business, recent updates to Customs rules, and support frameworks for MSMEs, strengthening the chapter's initiative to build strong regulatory partnerships.

CPE AI Mastery Workshop for CMAs: Prompt to Possibilities (4th Batch)

On August 22–23, 2026, the Chapter hosted the 4th Batch (Level 1) of the two-day CPE workshop titled "Prompt to Possibilities – AI Mastery Workshop for CMAs." The event opened with welcome remarks by Chapter Chairman CMA Mitesh Prajapati, Treasurer CMA Bhavesh Ramchandani, P D Committee Chairman CMA Uttam Bhandari, and P D Committee Coordinator CMA Ashish Bhavsar. Day 1 featured CA Fenil Shah introducing foundational Generative AI tools and prompt engineering techniques for analytical workflows. On Day 2, technical sessions led by CA Bhavesh Sharma and CA Harshid Patel focused on practical applications in Cost Audit compliance, audit sampling, tax consultancy, legal research, and notice-drafting across GST and Income Tax litigation.

Record-Breaking Enrolments for December 2026 Examination Term

The Chapter achieved a historic milestone by securing over 1,222 student enrolments for the upcoming December 2026 Examination Term, marking the highest enrolment figure across all chapters in the Western India Regional Council (WIRC) region. Driven by student-centric academic support, robust coaching infrastructure, and extensive career counseling initiatives, this landmark accomplishment reflects the rising demand for the CMA qualification. The Managing Committee extended its gratitude to members, faculty, and stakeholders whose collaborative efforts established a new benchmark for chapter performance in the region.

SURAT-SOUTH GUJARAT CHAPTER

Press Conference for June 2026 Intermediate and Final Examination Results

On August 5, 2026, the Chapter hosted a Press Meet at its campus in Ritz Square, Ghod Dod Road, Surat, to officially declare the results for the June 2026 CMA Intermediate and Final examination term. The conference was attended by key chapter leadership, including Chairman CMA Keval Shah, Vice Chairman CMA Bharat Savani, Immediate Past Chairman CMA Kishor Vaghela, and Managing Committee Members CMA Mahesh Bhalala and CMA Deepali Lakdawala. Demonstrating exceptional academic excellence, the chapter achieved 7 All India Ranks (AIR) at the Intermediate level and 9 All India Ranks at the Final level. The Chairman and committee members extended their heartiest congratulations to the successful candidates and provided guidance regarding their future professional endeavors.

Special Session on How to Make an Effective CV

On August 7, 2026, the Chapter conducted a dedicated career guidance workshop titled "Special Session on How to Make an Effective CV" for recently qualified students at CMA Bhawan, Surat. Expert speaker CMA Kenish Mehta led the interactive session, offering practical strategies on professional presentation, structuring resumes, effectively highlighting key achievements, and aligning CV contents with modern industry expectations. The program concluded with an engaging Q&A segment, providing students with actionable insights and motivation to craft high-impact resumes for competitive career opportunities.

Independence Day Celebration & Competitions

On August 15, 2026, the Chapter celebrated India's

80th Independence Day at CMA Bhawan, Ritz Square, Surat. The ceremonial flag hoisting was performed by WIRC Regional Council Member CMA Nanty Shah, Chapter Chairman CMA Keval Shah, and Immediate Past Chairman CMA Kishor Vaghela, alongside Managing Committee Member and Past Chairman CMA Brijesh Mali. Marking the occasion, the chapter organized a series of student competitions, including dance, elocution, chess, and quiz contests. Over 40 students actively participated in the events, demonstrating talent and enthusiasm in honor of the national milestone.

NASHIK CHAPTER

GST Day Celebration

On July 1, 2026, the Chapter participated in the GST Day Celebration organized by the CGST & Central Excise, Nashik GST Fraternity at NIMA Hall, GST Bhawan, Nashik. Representing the chapter were Secretary CMA Santosh Brahmankar, Committee Member CMA Kailas Shinde, and Members CMA Arpita Fegade and CMA Prashant Yeole. Centered around the theme "One Nation, One Tax, One Market," the event commemorated the ongoing success of the GST framework while fostering professional interaction between cost accountants, tax practitioners, and senior GST officials.

CPE Seminar on Basics of Excel (Formula Based)

On July 18, 2026, the Professional Development Committee of the Chapter organized a 2-hour CPE seminar titled "Basics of Excel (Formula Based)" at Bhonsala College, Nashik. Under the guidance of CMA Amit Jadhav (Chairman – Professional Development Committee), the interactive session was delivered by CMA Namita Takate. The seminar focused on practical, formula-driven Excel functions tailored for professional accounting assignments and received strong appreciation from participating members for its hands-on operational utility.

Industry Oriented Training Program (IOTP) for CMA Final Appeared Students

Beginning July 20, 2026, the Chapter conducted a 10-day Industry Oriented Training Program (IOTP) designed to equip CMA Final appeared students with practical skills and bridge academic learning with industry expectations. Led by Chapter Chairman CMA Mayur Nikam, Secretary and Student Committee Chairman CMA Santosh Brahmankar, and Committee Member CMA Arifkhan Mansuri, the intensive training featured sessions by seasoned industry professionals focusing on technical competencies, professional ethics, communication, and overall career readiness. The interactive program concluded with high student engagement, serving as a critical stepping stone for candidates preparing to enter the professional workforce.

Career Awareness Program at B.Y.K. College of Commerce

On July 27, 2026, the Chapter organized a Career Awareness Program at B.Y.K. College of Commerce, Nashik, to educate young commerce aspirants on professional accounting pathways. The session was conducted by Management Committee Member CMA Arif Khan Mansuri alongside Chapter Secretary CMA Santosh Brahmankar, who shared guidance on the scope, structural benefits, and career prospects of the CMA qualification. Attended by approximately 100 commerce students, the interactive program successfully raised awareness about management accounting as a premier career path.

Glimpses of Western India Regional Council

Pimpri Chinchwad Chapter

Pimpri Chinchwad Chapter

Baroda Chapter

Baroda Chapter

Ahmedabad Chapter

Ahmedabad Chapter

Surat-South Gujarat Chapter

Surat-South Gujarat Chapter

Nashik Chapter

Nashik Chapter

Launch of the 'Corporate Mitra' Learning Management System (LMS)

Launch of the 'Corporate Mitra' Learning Management System (LMS)
on Monday, 31st August, 2026, at New Delhi by Smt. Anita Shah Akella, Joint Secretary, Ministry of Corporate Affairs in the presence of CMA Chittaranjan Chattopadhyay, President ICMAI, CMA Manoj Kumar Anand, Vice President ICMAI, CA. Prasanna Kumar D, President ICAI and other officials of the three institutes and IIT Madras"

Pre-Independence Day Celebration

The Institute organised a Pre-Independence Day celebration on 14th August 2026 from 2.30 p.m. onwards at the J N Bose Auditorium, Kolkata Office of the Institute.

The celebration featured a series of patriotic and socially meaningful activities aimed at fostering the values of national pride, social responsibility and community engagement. The programme included cultural performances, motivational addresses, a quiz, interactions with children, and the distribution of gifts and essential utility items.

Children from Nabadisha, an initiative of the West Bengal Police, participated in the celebration and added to the warmth and spirit of the occasion. The presence of the Institute's Past Presidents, Vice-President and Council Members further graced the occasion and added significance to the celebrations.

The programme provided an opportunity to celebrate the spirit of Independence while reinforcing the Institute's commitment to social responsibility, community engagement and the values of service to society.

Webinar on "FROM INDEPENDENCE TO VIKSIT BHARAT 2047: STRATEGIC MANAGEMENT ACCOUNTINGFOR A SELF-RELIANT INDIA"

by The Journal & Publications Committee, ICMAI on August 24, 2026

The Journal & Publications Committee of the Institute organised an insightful webinar on the topic "From Independence to Viksit Bharat 2047: Strategic Management Accounting for a Self-Reliant India" on August 24, 2026. The session focused on the evolving role of CMAs in supporting India's journey towards becoming a self-reliant, resilient, innovative and globally competitive economy.

CMA Harshad S. Deshpande, Chairman, Journal & Publications Committee, delivered the welcome address and he highlighted the significance of strategic management accounting in supporting India's journey towards self-reliance, sustainable growth and the vision of Viksit Bharat 2047. The webinar featured CMA Inder Pal Singh, Additional Chief Advisor (Cost) (Retd.), Ministry of Finance, GOI, as the distinguished speaker. Drawing upon his extensive experience in public finance, cost management, industrial competitiveness, trade policy and regulatory affairs, he provided valuable perspectives on how strategic management accounting can contribute to national economic development. CMA Inder Pal Singh emphasised the need for India to develop greater cost intelligence, accurate and timely information on production costs, resource utilisation, logistics, energy consumption, productivity and value creation to support informed strategic decisions. He urged CMAs to move beyond their traditional compliance and cost-control roles and evolve into value architects and strategic partners. He stressed the importance of life-cycle costing, cost-benefit analysis, predictive variance analysis, benchmarking, cost competitiveness mapping and evaluation of the wider economic impact of public investments. The eminent speaker also highlighted emerging areas such as green manufacturing, carbon costing, energy and water efficiency, resilient supply chains, public procurement reforms and AI-enabled cost intelligence dashboards. He called upon the profession to contribute to the development of a national cost intelligence framework that could help businesses and policymakers identify competitive locations, optimise resources and strengthen domestic value addition.

The webinar concluded with an engaging question-and-answer session, followed by the vote of thanks by CMA Sucharita Chakraborty, HoD, Journal & Publications Committee and was ably moderated by Ms Indrakshi Bhattacharya of the Journal & Publications, ICMAI. MA

ICMAI as knowledge partner in the MSME CONCLAVE 2026, Third Chapter, organized by The Indian Express on 26th August 2026 at Calcutta Club, Kolkata

The MSME & Start-up Promotion Board (MSPB), ICMAI participated as a Knowledge Partner in the MSME Conclave 2026, Third Chapter, organised by The Indian Express in association with the Department of Micro, Small & Medium Enterprises and Textiles, Government of West Bengal, on 26 August 2026 at Calcutta Club, Kolkata.

Shri Dipak Barman, Minister-in-Charge, Department of Micro, Small & Medium Enterprises & Textiles, Government of West Bengal, graced the occasion as the Chief Guest, while Shri Ashoke Dinda, Minister of State for Micro, Small & Medium Enterprises & Textiles, Government of West Bengal, was the Guest of Honour.

The conclave featured panel discussions on “Creating an Eco-system for MSME Success” and “Innovation for Competitive MSMEs”, providing a platform for stakeholders to deliberate on challenges and opportunities in the MSME sector and explore measures for sustainable growth, competitiveness and innovation.

THE MANAGEMENT ACCOUNTANT

ISSN 0972-3528

Guidelines for Submitting Articles

- Contributors are requested to send soft copies (in MS Word format) to The Editor, The Management Accountant at ***editor@icmai.in.***
- In case of theme article, the soft copy to be mailed to the above stated mail ID latest by 1st of the preceding month in which the article is sought to be published. That is, for an article to be published in February, the same may be forwarded by 1st of January, at least.
- The articles must be relevant to the economy, society and the nation.
- The articles should be around 1500 to 2000 words and must be an exclusive contribution for the Journal.
- The cover page should contain the title of the paper, author's name, designation, official address, contact phone numbers, e-mail address and an abstract of not more than 150 words.
- References should be given at the end of the manuscript and should contain only those cited in the text of the manuscript.
- The contribution must be original in nature and is neither published nor under consideration for publication anywhere else. A scanned copy of signed Declaration by the author is to be attached with the article. The format of the declaration is given below.
- A scanned passport size photograph (at least, 600 dpi) of the author and in case of joint authorship of all the authors should also be mailed along with the soft copy of the article.
- Figures and tables should be numbered consecutively and should appear near the text where they are first cited. **The figures must be in editable format.** Captions of the figures and tables are to be given at the bottom and at the top respectively. Headlines of the sections and sub-sections should start from the left-hand margin.
- The final decision on the acceptances or otherwise of the paper rests with the competent authority / editorial board and it depends entirely on its standard and relevance. The final draft may be subjected to editorial amendment to suit the Journal's requirements.
- If an article is not published within 4 months from the date of submission, the author (s) may withdraw the article with prior permission from the Editor **OR** keep the article with the Institute for future publication, unless it is rejected .
- The copyright of the contributions published in the Journal lie with the publishers of the Journal.
- The Editor has the right to modify / edit any content / title of the submitted article to suit the need of the Journal, without affecting the spirit of the article.

Declaration

I/We affirm that the article titled '____________' is my/our original contribution and no portion of it has been copied from any other source, and it would not be sent elsewhere for publication. The views expressed in this article are not necessarily those of the Institute or the Editor of the Journal.

Date:
Place:

(Signature)
Name:
Designation:
Organization:
E-mail ID:
Contact No:

All authors are requested to keep to the word limit of 1500–2000 words for articles

THE MANAGEMENT ACCOUNTANT

PAPERS INVITED

Cover Stories on the topics given below are invited for *'The Management Accountant'* for the four forthcoming months

Month		Theme		Subtopics
October 2026	Theme	Eco-Computing & Carbon - Neutral Infrastructure - The Strategic Role of CMAs	Subtopics	⦿ Renewable Energy Integration & Grid Interaction: Financial Evaluation and Cost Optimization ⦿ Next-Generation Cooling Technologies: Cost Efficiency, Energy Savings, and Investment Decisions ⦿ Sustainable Design and Lifecycle Management: Integrating Environmental Costs into Strategic Planning ⦿ Metrics, Standards, and Green Software ⦿ Accounting for Embodied Carbon ⦿ The Circular Server: Cost Accounting for E-Waste and Hardware Reclamation ⦿ ESG Reporting and the Finance Function: Emerging Responsibilities of CMAs
November 2026	Theme	Treasury Management: The Strategic Role of CMAs in Creating Enterprise Value	Subtopics	⦿ Strategic Cash Flow and Liquidity Management ⦿ Treasury risk management ⦿ Digital Treasury and Emerging Technologies ⦿ Treasury Governance, Compliance, and Internal Controls ⦿ Sustainable Finance and ESG in Treasury ⦿ Treasury Analytics and Performance Measurement ⦿ The Evolving Role of CMAs as Strategic Treasury Partners
December 2026	Theme	Cost Audit: Driving Operational Excellence Through Cost Intelligence	Subtopics	⦿ Reimagining Cost Audit as a Strategic Management Tool ⦿ Leveraging Cost Intelligence for Operational Excellence ⦿ Cost Intelligence for Strategic Decision-Making and Value Creation ⦿ Digital Transformation of Cost Audit: Technology, Analytics and Automation ⦿ Cost Audit and ESG: Measuring Sustainability, Efficiency and Long-Term Value ⦿ Strengthening Risk Management and Corporate Governance Through Cost Audit ⦿ Sector-Specific Applications and Emerging Perspectives in Cost Audit ⦿ The Future of Cost Audit: The Evolving Role of Cost and Management Accountants
January 2027	Theme	The Future of Banking: AI, Risk, Resilience and the CMA as a Strategic Business Partner	Subtopics	⦿ Artificial Intelligence Governance in Banking — the CMA's role in AI cost-risk audit. ⦿ Profitability, cost efficiency and value-based banking ⦿ Corporate Bond Market Development and the Changing Bank-Centric Model ⦿ Credit risk, ECL, NPA management and early-warning systems ⦿ Cybersecurity and operational resilience in the digital era ⦿ Digital transformation, fintech and the changing banking business model ⦿ Risk-adjusted performance measurement and strategic decision-making ⦿ Sustainable finance, climate risk and ESG in banking ⦿ The evolving role of CMAs in banking: from finance professionals to strategic business partners ⦿ NPA Management, SMA Monitoring and Credit Discipline

The above subtopics are only suggestive and hence the articles may not be limited to them only.

Articles on the above topics are invited from readers and authors along with scanned copies of their recent passport size photograph and scanned copy of declaration stating that the articles are their own original and have not been considered for anywhere else. Please send your articles by e-mail to editor@icmai.in latest by the 1st week of the previous month.

DIRECTORATE OF JOURNAL & PUBLICATIONS
CMA Bhawan, 4th Floor, 84 Harish Mukherjee Road, Kolkata - 700025, India
www.icmai.in

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)
www.icmai.in

CALL FOR PAPER

Research Bulletin, Vol. 52 No. II July 2026 (ISSN 2230 9241)

Call for Research Papers/Articles

We invite you to contribute a research paper/ article for "Research Bulletin", a peer-reviewed Quarterly Journal of The Institute of Cost Accountants of India. The aim of this bulletin is to share innovative achievements and practical experiences from diverse domains of management, from researchers, practitioners, academicians and professionals. This bulletin is dedicated to publishing high quality research papers providing meaningful insights into the management content both in Indian as well as global context.

Guidelines to submit full Paper

- Soft Copy of the full paper should be submitted in double space, 12 font size, Times New Roman, keeping a margin of 1 inch in four sides, MS Word (.doc) format.
- Each paper should be preferably within 5000 words including all.
- An abstract of not more than 150 words should be attached.
- The cover page should contain the title of the paper, author's name, designation, official address, contact phone numbers, e-mail address

Papers are invited on the following topics, but not limited to:

- Generative AI in Accounting, Auditing, and Financial Reporting
- Sustainable Finance, ESG Reporting, and Green Investments
- Digital Banking, FinTech, and Financial Inclusion
- Cybersecurity, Data Privacy, and Digital Governance
- Data Analytics and Business Intelligence
- Supply Chain Resilience and Industry 5.0
- Entrepreneurship, Innovation, and Start-up Ecosystems
- Human Resource Analytics, Future of Work, and Hybrid Workplaces
- Digital Marketing, Consumer Behaviour, and Social Commerce
- Corporate Governance, Business Ethics, and Responsible Leadership
- Climate Change, Circular Economy, and Corporate Sustainability
- Smart Cities and Urban Economic Development

The Editorial Board welcomes original research papers, review articles, case studies, and empirical research on the above themes and other contemporary issues related to Commerce, Management, Economics, Finance, and Allied Disciplines.

Papers must be received within
30th September, 2026
in the following email id:
research.bulletin@icmai.in