

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**FINANCE MINISTER CALLS FOR PRUDENT EXPENDITURE MANAGEMENT;  
ASKS OFFICERS OF INDIAN COST ACCOUNTS SERVICE TO UPGRADE THEIR  
PROFESSIONAL SKILLS AND EXPERTISE IN ORDER TO PLAY A PROACTIVE  
ROLE IN ASSISTING THE GOVERNMENT IN ACHIEVING THE HIGHEST LEVEL  
OF COST EFFICIENCY IN ITS PROJECTS, SCHEMES AND OPERATIONS;  
INAUGURATES THE FIRST INDIAN COST ACCOUNTS SERVICE DAY**

**New Delhi, August 9, 2015**

**Shravana 18, 1937**

The Union Finance Minister Shri Arun Jaitley said that in post liberalized era, competitiveness, cost and efficiency management have become the key words of survival and growth. He said that it is all the more important for the Government of a country to have an efficient expenditure management failing which it may face situation like Greece. He said that for a good governance, the Government has not only to augment its resources through better revenue collections but also to manage its expenditure well or even both. The Finance Minister Shri Jaitley was speaking after inaugurating the First Indian Cost Accounts Service Day here today. He asked the officers of the Cost Accounts Service to upgrade their professional skills and expertise in order to play a proactive role in assisting the Government in achieving the highest level of cost efficiency in its projects, schemes and operations.

Later, the Finance Minister also released a book on this occasion laying the future roadmap for Indian Cost Accounts Service. He also presented mementos to the former Chief Advisers Cost on this occasion.

Earlier speaking on the occasion, Shri Ratan P. Watal, Secretary (Expenditure), Government of India said that the Indian Cost Accounts Service (ICoAS) officers deal in quite varied and wide subject matters of contemporary significance, namely, pricing of industrial products and services, determination of various subsidies, petroleum under recoveries, and systems studies. He said that

recently, Chief Adviser Cost has rendered important advice in new areas like assessment of Foreign Allowance payable to the Indian staff posted at various missions abroad, evaluation of the consortium credit funding in Khadi Industries, and review of Fees and User Charges charged by various public authorities. In their reports, Shri Watal said that the Chief Adviser Cost has, quite often, recommended significant suggestions for operational improvements including areas for cost reduction. It goes without saying that these recommendations have helped Government of India to effect substantive savings in the Government expenditure on many occasions. As members of many important committees, their analysis and findings are of immense help in decision making, Shri Watal added.

Shri Watal, Secretary (Expenditure) further said that the Government has managed to control expenditure through rationalization. The ongoing fiscal consolidation process has been successful in taming the fiscal deficit, he added. However, the public finance on revenue side requires attention particularly in view of the target set for the revenue deficit under the new Fiscal Responsibility and Budget Management regime. This necessitates structural changes in the Plan spending and definitive measures to contain Non-Plan spending within sustainable limits. Shri Watal said that in order to achieve the fiscal targets of fiscal consolidation, it is equally essential to follow the policy of progressively reducing expenditure on subsidies through improved targeting of beneficiaries. Major subsidies are extremely critical from the viewpoint of fiscal consolidation and are the most important factor in meeting its fiscal targets. The efforts of Government would be to address this issue with a two pronged strategy. Government is committed to progressively pursue subsidy reforms in a manner that will ensure efficient targeting of subsidies to the poor and needy, while also saving scarce financial resources for investment in infrastructure and pursuit of new development programmes announced by the Government from time to time. Keeping in view of the present and emerging scenario, he said that the ICoAS Officers, by virtue of possessing financial expertise, can play a significant role in expenditure management ensuring highest level of efficiency, rendering advice on rationalisation of subsidies and in enhancement of tax and non-tax revenues; thereby facilitating the overall fiscal consolidation process.

Earlier in his welcome address, Shri A.K. Singhal, Additioal Chief Adviser Cost said that office of the Chief Adviser Cost has emerged as a prime professional agency in dealing with

matters relating to costing and pricing, studies on cost reduction, cost efficiency, industry level studies for determining fair prices, studies on user charges, Central Excise Abatement matters, Cost Benefit Analysis of Projects, Commercial Financial Management Analysis, appraisal of Capital Intensive Projects, Profitability Analysis and application of Modern Management Tools involving Cost and Commercial Financial Accounting etc. for the Government Ministries and Departments in respect of the matters referred to us. He said that ICoAS Officers are assisting different Central Government Ministries/Departments/Organizations in solving complex Price/Cost related issues, in fixing fair prices for various services/products and rendering advice to various Ministries/Departments in cost and financial matters. Examination and Verification of claims between Government Departments / Public Sector undertakings and suppliers arising out of purchase contracts, determining prices of products and services supplied to Government is also undertaken by this office

Shri J.K.Puri, former Chief Adviser Cost, Ms Aruna Sethi, Principal Adviser Cost, Senior officers of the Ministry of Finance and retired and serving Officers of the ICoAS were also present on the occasion.

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